

AMBIKA COTTON MILLS LIMITED

ANNUAL REPORT
2014 - 2015

AMBIKA COTTON MILLS LIMITED

CIN No.L17115TZ1988PLC002269

website – www.acmills.in, Email –id – ambika@acmills.in

ANNUAL REPORT 2014 - 2015

BOARD OF DIRECTORS

Sri. P.V. Chandran
Sri. K.N. Sreedharan
Dr. K. Venkatachalam
Sri. R. Soundararaja Perumal
Mrs. Bhavya Chandran
Sri. G. Udayakumar (Nominee
Director of IDBI Bank Ltd. -
upto 25.11.2014)
Mrs. Vidya Jyothish Pillai

REGISTERED OFFICE

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

PLANT

Kanniyapuram
Dindigul

AUDITORS

L. Venkatasubbu & Co.,
Chartered Accountants,
Coimbatore

BANKERS

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

AMBIKA COTTON MILLS LIMITED

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

CIN No.L17115TZ1988PLC002269

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DIRECTORS' REPORT

Your directors have great pleasure in submitting the Twenty Seventh Annual Report together with the audited accounts for the year ended 31st March 2015.

FINANCIAL RESULTS

The Financial results for the year ended 31st March 2015 are furnished below:

	CURRENT YEAR	PREVIOUS YEAR
	2015	2014
	Rs.	Rs.
Sales & Other Income	4958319864	4770831958
Profit Before Finance Cost and Depreciation	994101942	1033063175
Less: Finance Cost	63124228	120261790
Gross Profit For the Year	930977714	912801385
Less : Depreciation	293333103	316237718
Profit before Tax	637644611	596563667
Less : Tax Expense	125889272	115184093
Profit after Tax	511755339	481379574
Add: Surplus in Statement of Profit and Loss	1075341418	779880500
	1587096757	1261260074
Less : Appropriation		
Transfer to General Reserve	100000000	100000000
Proposed Dividend on Equity Shares	82250000	73437500
Dividend Tax	16744165	12480703
Prior Period Dividend & Dividend Tax	539	453
Surplus Carried over in Statement of Profit and Loss	1388102053	1075341418

AMBIKA COTTON MILLS LIMITED

DIRECTORS' REPORT (Contd...)

PERFORMANCE AND STATE OF AFFAIRS

The Company's Total Income and Gross profit amounted to Rs.49583 Lakh (Previous year Rs. 47708 Lakh) and Rs.9310 Lakh (Previous year Rs.9128 Lakh). This represents growth in total income of 3.93% as compared to 19.85% in the previous year and growth in Gross Profit of 1.99% as against 34.06% in the previous year.

For the year Company's Direct Export Turnover amounted to Rs.28532 Lakh as compared to Rs. 29582 Lakh in the previous year representing a marginal decline of 3.55 % (Previous Year growth of 20.87%) . In terms of percentage the export turnover constituted 58.98% of the net sales as against 64.38% in the previous year.

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 has largely contributed to the sustained financial performance of the company. It is relevant to note that the company's focus is to maximize its spindle EBITDA and its spindle EBITDA is one of the best in the standalone spinning industry.

During the year the Company has invested Rs.7.88 Crores for further strengthening of the production base and other modernization works which are met out of internal accruals and considerably reduced its long term debt from Rs.61.64 Crores to Rs.16.78 Crores.

The Company plans to setup another spinning unit of 30,000 spindles with 100% compact facility consisting of imported and indigenous machinery, together with required value addition in knitting facility at an estimated cost of Rs.130.00 Crores. The major cost of the scheme is proposed to be met out of internal accruals with minimum possible borrowing.

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 directors are pleased to recommend a dividend of 140% (Rs.14.00/- per share) for the year ended 31st March 2015 for your approval. The outflow on account of Equity Dividend would be Rs.822.50 Lakh (Previous year Rs. 734.37 Lakh) and dividend tax Rs.167.44 Lakh (Previous year Rs. 124.81 Lakh). The total payout will be Rs.989.94 Lakh (Previous year Rs. 859.18 Lakh). The payout ratio for the year works out to 16.07% as compared to 15.26% (exclusive of dividend tax) on the basis of PAT of FY 2015 & 2014.

AMBIKA COTTON MILLS LIMITED

DIRECTORS' REPORT (Contd...)

DIRECTORS

Pursuant to the provisions of Section 149 of the Act, Sri K. N. Sreedharan, Dr K. Venkatachalam & Sri R. Soundararaja Perumal, were appointed as Independent Directors at the Annual General Meeting of the Company held on 24th September 2014.

IDBI has withdrawn its Nominee Director Sri G.Udayakumar with effect from 25.11.2014, consequent to repayment of its term loan. The Board wishes to place on record its appreciation of the services rendered by Sri G.Udayakumar during his tenure of office.

Mrs.Bhavya Chandran retires by rotation and being eligible offers herself for re- appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. Accounting policies selected have been applied consistently. Reasonable and prudent judgments have been made so as to give a true and fair view of the state of affairs of the Company as at the end of 31st March, 2015 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

During the year four Board Meetings were convened and held. The details thereof are given in the Corporate Governance Report.

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).

MANAGEMENT DISCUSSION AND ANALYSIS

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

AMBIKA COTTON MILLS LIMITED

DIRECTORS' REPORT (Contd...)

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

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

AUDITORS' REPORT

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

SECRETARIAL AUDIT

The Secretarial Audit for the financial year ended March 31, 2015 is annexed herewith marked as Annexure A to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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 and Sri.R. Soundararaja Perumal and all of them are Independent Directors.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility Committee was constituted consisting of Directors Sri. P.V.Chandran, Dr.K.Venkatachalam and Sri.R.Soundararaja Perumal 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, which has been approved by the Board, the details of the same are made available in the Company's website www.acmills.in.

AMBIKA COTTON MILLS LIMITED

DIRECTORS' REPORT (Contd...)

NOMINATION AND REMUNERATION COMMITTEE

A Nomination and Remuneration Committee was constituted in place of earlier Remuneration Committee and presently the members of the Committee are Directors Dr. K.Venkatachalam, Sri. R. Soundararaja Perumal & 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 in the Company's website www.acmills.in.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee was constituted consisting 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.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders relationship committee was constituted consisting of Directors Sri.R.Soundararajaperumal, Mrs. Vidya Jyothish Pillai & Mrs. Bhavya Chandran. The Company has formulated policy for early resolution of stakeholders' grievances and the same is made available in the company's website www.acmills.in.

APPOINTMENT OF KEY MANAGERIAL PERSONNEL

Sri.M.Vijayakumar was appointed as Chief Financial Officer (CFO) of the Company 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, covered 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 31.03.2015 to which the financial statements relate and the date of this report.

AMBIKA COTTON MILLS LIMITED

DIRECTORS' REPORT (Contd...)

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 exercise of Board evaluation is to be carried out during the current financial year, as the requirement of the Companies Act, 2013, in this respect is to have composition of Board to have at least one – third of the total number of directors as Independent Directors by 31.03.2015 and the same has been complied with by the Company.

EXTRACT OF ANNUAL RETURN

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

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

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

CSR EXPENDITURE

The requirement to spend in this regard is Rs.88.31 lakhs @ 2% of 3 years average net profit of the Company and the Company has spent Rs.91.00 lakhs on various CSR activities which are into (i) Rural Development, (ii) Animal Protection, (iii) Education, (iv) Medical Support, (v) Relief to Poor and the details of expenditure are furnished in Annexure – III to this report.

PARTICULARS OF EMPLOYEES:

The statement relating to the employees who have drawn remuneration of the category specified in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed in Annexure -IV to this report.

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 V to this Report.

DATE : 08/08/2015
PLACE : Coimbatore

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

AMBIKA COTTON MILLS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overall Review

The Global economy, in FY 2014-15, witnessed recovery. Equally our Economy is also showing recovery with lower fiscal and current account deficit. The Indian Government in a pro - active manner has set in motion lots of economic initiatives. These initiatives in the long run would sustain positive economic growth which is fundamental for the overall growth and standard of living.

2. Industry Outlook

In general, the performance of the cotton yarn industry depends upon the swings of demand by the market forces which closely track the economic trend. The exception to this rule is the demand for speciality cotton yarn which is consistent and growing . On bouncing of economic conditions, the demand trend is expected to be more positive for the current year even for normal segment of cotton yarn and that would drive more demand for speciality cotton yarn.

3. Opportunities

Improving economic conditions would generate more demand, in general, for cotton yarn. The Company by concentrating and focusing on manufacture of speciality cotton yarn has created specific markets for its products, which is on the growth path and has continued good demand. This ensures more sustained profitable operations.

4. Challenges

- (i) Positive economic environment
- (ii) Government policies.
- (iii) Evacuation of 100% Wind energy generated to State Grid.

5. Company Outlook.

The Company, on account of manufacturing speciality cotton yarn, continues to have good demand for its products and continues to strengthen its production base by modernization and adding balancing equipments. 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. These measures will continue to support the operations of the company.

6. Risks and Concerns

The Government policies and volatile economic environment have a bearing on the overall performance of the company.

AMBIKA COTTON MILLS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS (Contd...)

7. Discussion on Financial Performance with Respect to Overall Performance

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

	Current Year	Previous Year
	2015	2014
1. Increase in Net Sales (Rs. in Lakh)	2422	7451
2. Increase in Net Sales (%)	5.27	19.35
3. Increase in Exports (Rs. in Lakh)	-1050	5108
4. Increase in Exports (%)	-3.55	20.87
5. Operating Profit Margin before Tax(%)	20.55	22.48
6. Operating Profit Margin after Tax (%)	17.95	19.97
7. Cash Profit Margin before Tax (%)	19.25	19.86
8. Cash Profit Margin after Tax (%)	16.64	17.36
9. Net Profit Margin before Tax (%)	13.18	12.98
10. Net Profit Margin after Tax (%)	10.58	10.48

*Profit Margin calculations are on the basis of Net Sales

8. Internal control, systems and adequacy.

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

9. Human Resources Development

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

10. Safety and Environment

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

11. Cautionary Statement

Certain Statements in this report on Management 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

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - I

FORM NO. MGT - 9

Extract of Annual Return

As on the financial year ended on 31.03.2015

[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 6549995 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	88.17

III. Particulars of holding, subsidiary and associate companies

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

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd...)

ANNEXURE - I (Contd...)

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

(i) Category- wise Share holding

Category of Shareholders	No. of Shares held at the Beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	2827000	0	2827000	48.12	2857000	100	2857100	48.63	0.51
b) Central Govt			-	-			-	-	
c) State Govt (s)			-	-			-	-	
d) Bodies Corp.			-	-			-	-	
e) Banks / FI			-	-			-	-	
f) Any Other....			-	-			-	-	
Sub-total (A) (1):-	2827000	0	2827000	48.12	2857000	100	2857100	48.63	0.51
(2) Foreign									
a) NRIs									
Individuals			-	-			-	-	
b) Other –									
Individuals			-	-			-	-	
c) Bodies Corp.			-	-			-	-	
d) Banks / FI			-	-			-	-	
e) Any Other....			-	-			-	-	
Sub-total (A) (2):-			-	-			-	-	
Total shareholding of Promoter									
(A) = (A)(1)+(A)(2)	2827000	0	2827000	48.12	2857000	100	2857100	48.63	0.51
B. Public Shareholding									
1 Insitutions									
a) Mutual Funds	444101	0	444101	7.56	216765	0	216765	3.69	-3.87
b) Banks / FI			-	-	200	0	200	0.00	
c) Central Govt			-	-			-	-	
d) State Govt(s)			-	-			-	-	
e) Venture Capital Funds			-	-			-	-	
f) Insurance Companies			-	-			-	-	
g) FIs			-	-	22182	0	22182	0.38	0.38
h) Foreign Venture Capital Funds			-	-			-	-	

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd...)

ANNEXURE - I (Contd...)

Category of Shareholders	No. of Shares held at the Beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(i) Others (specify) Foreign Portfolio Investment – Individual Foreign portfolio Investment - Corporate			-	-	120801	0	120801	2.06	2.06
Sub-total (B)(1):-	444101	0	444101	7.56	359948	0	359948	6.13	-1.43
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	799846	20033	819879	13.96	961553	20033	981586	16.71	2.75
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	687466	56683	744149	12.68	813273	46393	859666	14.63	1.95
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	916928	0	916928	15.61	709481	0	709481	12.08	-3.53
c) Others (specify)									
Directors & their Relatives.	0	100	100	0.00	-	100	100	0.00	0.00
Non- resident Indians	14607	0	14607	0.25	25004	0	25004	0.43	0.18
Clearing Members	44665	0	44665	0.76	39556	0	39556	0.67	-0.09
Hindu Undivided Family	63571	0	63571	1.08	42559	0	42559	0.72	-0.36
Sub-total (B)(2):-	2527083	76816	2603899	44.32	2591426	66526	2657952	45.24	0.92
Total Public Shareholding (B)=(B)(1) + (B)(2)	2971184	76816	3048000	51.88	2951374	66526	3017900	51.37	-0.51
C. Shares held by Custodian for GDRs & ADRs			-	-			-	-	-
Grand Total (A+B+C)	5798184	76816	5875000	100.00	5808374	66626	5875000	100.00	

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd..)

ANNEXURE - I (Contd..)

(ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding 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	Mrs. C. Bhavani (Spouse of Sri. P.V.Chandran)	2272466	38.68	0	2272566	38.68	0	0
2	Sri. P.V.Chandran	554534	9.44	0	584534	9.95	0	0.51
	Total	2827000	48.12	0	2857100	48.63	0	0.51

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

S. No		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	2827000	48.12		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	12.04.2014 (Purchase of Shares)	30000	0.51	2857000	48.63
	24.05.2014 (Purchase of Shares)	100	0.00	2857100	48.63
	At the end of the year	2857100	48.63	2857100	48.63

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd..)

ANNEXURE - I (Contd..)

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

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	IDFC Mutual Fund	444101	7.56	216715	3.69
2	Raghu Trading & Investment Company Private Limited	389490	6.63	-	-
3	Apple Finance Limited	180233	3.07	180233	3.07
4	Anil Kumar Goel	172000	2.93	170000	2.89
5	Ajai Hari Dalmia	131611	2.24	81325	1.38
6	Avalokiteshvar Valinv Limited	106370	1.81	106370	1.81
7	P.K.Ganeshwar	58933	1.00	-	-
8	K.G.N.Pillai	51512	0.88	30468	0.52
9	Narendra D Lodaya	45927	0.78	40306	0.69
10	Amit Jasani Financial Services Private Limited	41483	0.71	22563	0.38
11	Saffron Agencies Limited	—	—	221856	3.78
12	Value quest India Moat Fund Limited	—	—	120801	2.06
13	VLS Finance Limited	—	—	98200	1.67
14	Bang Securities Private Ltd	—	—	60000	1.02
15	Eicher Goodearth Private Limited	—	—	57093	0.97

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd...)

ANNEXURE - I (Contd...)

(V) Shareholding of Directors and Key Managerial Personnel :

S. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	Sri P.V.Chandran (Chairman and Managing Director / Promoter Executive)				
	At the beginning of the year	554534	9.44	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :				
	12.04.2014 (Purchase of Shares)	30000	0.51	584534	9.95
	At the end of the year	584534	9.95	584534	9.95
2	Dr.K. Venkatachalam (Independent Director/Non- Executive)				
	At the beginning of the year	100	0.00	-	-
	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	0.00	100	0.00
3	Sri. Radhe Shyam Padia (Company Secretary)				
	At the beginning of the year	31500	0.536	-	-
	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	0.536	31500	0.536

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd..)

ANNEXURE - I (Contd..)

(VI) Indebtedness

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

(in. Rs.)

	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	1002451029	0	0	0
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
Total i+ii+iii)	1002451029	0	0	0
Change in Indebtedness during the financial year				
Addition	72392036	0	0	72392036
Reduction	448525000	0	0	448525000
Net Change	-376132964	0	0	-376132964
Indebtedness at the end of the financial year				
(i) Principal Amount	626318065	0	0	626318065
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	626318065	0	0	626318065

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd..)

ANNEXURE - I (Contd..)

(VII) Remuneration of Directors and Key Managerial Personnel:

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

(in. Rs.)

S. No	Particulars of remuneration	Name of MD / WTD / Manager Sri. P.V. Chandran	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	24,00,000	24,00,000
	(b) Value of perquisites under section 17(2) Income Tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission		
	– as % of profit	1,27,00,000	1,27,00,000
	– others, specify	0	0
	Others, please specify	0	0
	Sitting Fees	60,000	60,000
	Total (A)	1,51,60,000	1,51,60,000
	Ceiling as per the Act	3,26,36,592	3,26,36,592

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd..)

ANNEXURE - I (Contd..)

B. Remuneration to other Directors

(in. Rs.)

S. No	Particulars of remuneration	Name of Directors					Total Amount
		Sri.K.N. Sreedharan	Dr. K. Venkatachalam	Sri.R. Soundararaja Perumal	Mrs. Bhavya Chandran	Mrs. Vidya Jyothish Pillai	
3	Independent Directors						
	Fee for attending board committee meetings	1,20,000	90,000	1,20,000	-	-	3,30,000
	Commission	0	0	0	-	-	0
	Others, please specify	0	0	0	-	-	0
	Total (1)	1,20,000	90,000	1,20,000			3,30,000
4	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	60,000	60,000	1,20,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	60,000	60,000	1,20,000
	Total (B)=(1+2)	1,20,000	90,000	1,20,000	60,000	60,000	4,50,000
	Total Managerial Remuneration						1,56,10,000
	Overall Ceiling as per the Act						7,18,00,502

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd...)

ANNEXURE - I (Contd...)

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

(in. Rs.)

S. No	Particulars of remuneration	Key Managerial Personnel			
		CEO	CS	CFO*	Total
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	0	6,00,000	3,00,000	9,00,000
	(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	0	6,00,000	3,00,000	9,00,000

* For part of the year

VII. Penalties / Punishment / Compounding of Offences :

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

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd..)

ANNEXURE - II

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

A. CONSERVATION OF ENERGY

i) the steps taken or impact on conservation of energy.

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

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

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

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

B. TECHNOLOGY ABSORPTION

i) the effects 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 coner 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 : Know- how for special type of yarn

b) the year of import : 2012-13

c) Whether the technology been fully absorbed : Yes

d) if not fully absorbed , areas where absorption has not taken place and the reasons there of; and : NA

iv) the expenditure incurred on Research and Development : Not quantified

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

	[Rs. in Lakhs]
Foreign Exchange earned (inflow)	28532
Foreign Exchange used (outflow)	25327

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd...)

ANNEXURE - III

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

ANNUAL REPORT ON CSR ACTIVITIES

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

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

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. Sri. R. Soundararaja Perumal, Independent Director

iii. Average net profit of the company for last three financial years

(Amount in crores) : 44.16

iv. Prescribed CSR Expenditure

(two percent. of the amount as in item 3 above)

(Amount in crores) : 0.88

v. Details of CSR spent during the financial year.

(1) The amount to be spent for the F.Y 2014-15

(Amount in Crores) : 0.88

(2) Amount unspent, if any

(Amount in Crores) : 0.00

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

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd...)

ANNEXURE - III (Contd...)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1. Local Area or Other 2. Specify The State And District Where Projects Or Programs Were Undertaken	Amount outlay (budget) project or programs wise (Rs. in Crores)	Amount spent on projects or programs sub-heads 1. Direct expenditure on projects or programs. 2. Overheads	Cumulative expenditure up to the reporting period (Rs. in Crores)	Amount Spent : Direct or through implementing agency
1.	Road	Rural Development	Local area Dindigul, Tamilnadu	} 0.88	Direct expenditure on projects	0.24	Direct Through Rotary Club & VGM Healthcare Through Indian Red Cross Society
2	Restoration of well					0.13	
3	Public Toilets					0.20	
4	Temple					0.01	
5	Animal Protection	Animal Protection	Local area Dindigul, Tamilnadu			0.17	
6	Road Safety	Education	Local area Dindigul, Tamilnadu			0.03	
7	Medical Support	Medical Support	Coimbatore, Tamilnadu			0.11	
8	Relief to Poor	Relief to Poor	Coimbatore, Tamilnadu			0.02	
	Total			0.88		0.91	

*Details of implementing Agency

vi. In case the Company fails to spend the 2% of the Average Net Profit (INR) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board report. – NA

vii. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company duly signed by Director and Chairperson of the CSR Committee.

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

Sd/-

P.V. Chandran
Chairman and Managing Director

Date : 08/08/2015
Place : Coimbatore

Sd/-

Dr. K. Venkatachalam
Independent Director

Sd/-

R. Soundararaja Perumal
Independent Director

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd..)

ANNEXURE - IV

Statement as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Employed throughout the year

Name & Age	Designation	Remuneration (Rs in Lakh)	Experience (Years)	Date of Joining	Last Employment/ Designation/ Period
Sri. P.V. Chandran (65 Years)	Chairman and Managing Director	151.60	43	06.10.1988	-

ANNEXURE - V

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 2014-2015

S.No	Name of the Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2014-15 (in Lakh)	% increase in Remuneration in the Financial year 2014-15	Ratio of Remuneration of each Director to median remuneration of employees
1	Sri.P.V. Chandran, Chairman and Managing Director	151.60	5.57	182.65 :1
2	Sri. K. N.Sreedharan, Non- Executive – Independent	1.20	-	1.45:1
3	Dr.K. Venkatachalam, Non- Executive – Independent	0.90	-	1.08:1
4	Sri.R. Soundararaja Perumal, Non- Executive – Independent	1.20	-	1.45:1
5	Mrs. Bhavya Chandran, Non- Executive – Promoter group	0.60	-	0.72:1
6	Mrs. Vidya Jyothish Pillai, Non- Executive – Promoter group	0.60	-	0.72:1
7	Sri. Radheshyam Padia, Company Secretary	6.00	-	7.23:1
8	Sri. M. Vijayakumar, CFO (part of the year)	3.00	NA	3.61:1

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd..)

ANNEXURE - V (Contd..)

- (ii) The percentage increase in the median remuneration of the employees in the financial year : 13.77%
- (iii) The number of permanent employees on the rolls of Company: 1728
- (iv) The explanation on the relationship between average increase in remuneration and company performance: The Profit after Tax for FY 2014-15 amounted to Rs. 51.18 crores as compared to Rs. 48.14 crores for FY 2013-14, an increase of 6.31% whereas increase in employees' remuneration is 1.33%.
- (v) Comparison of remuneration of the Key Managerial Personnel against the performance of the Company : The Profit after Tax for FY 2014-15 increased 6.31% as compared to FY 2013-14, whereas increase in Key Managerial Personnel remuneration is 5.57%.
- (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	31.03.2015	31.03.2014
Market capitalization of the Company (Rs. in Crores)	460.31	168.58
Issued Capital (in No.s)	58,75,000	58,75,000
Closing Price at NSE (in Rs.)	783.50	286.95
Price Earnings Ratio at the closing date	8.99	3.50

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 2014-15 : The increase in remuneration is 1.08% for employees other than KMP while it is 7.35 % for KMP.
- (viii) The Key parameters for any variable component of the remuneration availed by the Directors: The Remuneration of Chairman and Managing Director consists of a commission payable at the rate of 2% of the Net profits of the Company. There is no other 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 and
- (x) Affirmation that the remuneration is as per the remuneration policy of the Company: Yes.

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd..)

ANNEXURE - A

S.R. BAALAJI, B.Com., FCS.
Practising Company Secretary

23, Vaikunth Complex, 80 Feet Road Olembus,
Ramanathapuram, Coimbatore - 641 045
Phone : 0422 – 2319343, Cell : 98422-06891
E-mail : akshayasri23@gmail.com

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2015

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

To,

The Members,

M/s. Ambika Cotton Mills Limited
CIN : L17115TZ1988PLC002269
9 A, Valluvar Street
Sivanandha Colony
Coimbatore 641 012

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has during the audit period covering the Financial Year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliances - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: The members are requested to read this report along with my letter of even date annexed to this report. 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, 2015 according to the applicable provisions of:

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd..)

ANNEXURE - A - SECRETARIAL AUDIT REPORT

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

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

(i)	I have not examined compliance with the Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India as they become applicable only from 1 st July 2015.
(ii)	The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd..)

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

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

I further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The Board also has women directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

I further report that 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.

The members of the Company passed a special resolution under Section 180 (1) (c) of the Act empowering the Board of Directors to borrow moneys provided that the amounts borrowed and outstanding at any point of time does not exceed Rs.400 Crores, apart from temporary loans from the Company's bankers in the ordinary course of business.

The members of the Company passed a special resolution under Section 180 (1) (a) of the Act, empowering the Board of Directors to sell/dispose off/create charge on any of the undertakings / assets of the Company, to secure borrowings, up to Board's borrowing limit.

Date : 08/08/2015
Place : Coimbatore

Sd/-
(S.R. BAALAJI)
Practicing Company Secretary
FCS NO. 5966
C P NO. 3514

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd..)

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

ANNEXURE TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To

**The Members,
M/s. Ambika Cotton Mills Limited
CIN : L17115TZ1988PLC002269
9A, 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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on 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 accounts of the Company.
4. 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 a test basis.
5. While forming an opinion on compliance and issuing the secretarial audit report, I have also taken into consideration the compliance related action taken by the Company after 31st March 2015 but before issue of the report.
6. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. I have considered actions carried out by the Company based on independent legal / professional opinion as being in compliance with law, wherever there was scope for multiple interpretations, especially since the financial year ended 31st March 2015 was the first full financial year in which the Companies Act, 2013 has become operational and also on account of the listing agreement with the stock exchanges undergoing major amendments from 1st October 2014.
8. My Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

(S.R. BAALAJI)

Practicing Company Secretary

FCS NO. 5966

C P NO. 3514

Date : 08/08/2015

Place : Coimbatore

AMBIKA COTTON MILLS LIMITED

CORPORATE GOVERNANCE REPORT

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

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

2. Board of Directors

The Board, as on date, consists of 6 Directors and the details are given below

Name of the Director	Executive/ Non Executive / Independent	No. of outside Directorship in Public Limited Companies	Membership held in Committee of Directors	Chairmanship held in Committee of Directors
Sri. P.V. Chandran	Chairman and Managing Director (Promoter & Executive)	Nil	Nil	Nil
Sri. K.N. Sreedharan	Director (Independent -Non Executive)	1	1	1
Dr. K. Venkatachalam	Director (Independent -Non Executive)	1	1	Nil
Sri R. Soundararaja Perumal	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
Sri. G. Udayakumar (Upto 25/11/2014)	Director, (Nominee representing IDBI Bank LTD.)	Nil	Nil	Nil

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

AMBIKA COTTON MILLS LIMITED

CORPORATE GOVERNANCE REPORT (Contd...)

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

Number of Board Meetings held during 2014 - 2015 : 4			
S.No.	Date of Board Meeting	Sl.No.	Date of Board Meeting
1	24.05.2014	2	09.08.2014
3	08.11.2014	4	01.02.2015

(B) Attendance Record of Directors :

S.No	Name of the Director	Number of Meetings held	Number of Meetings attended	Whether attended last AGM held on 24 th September, 2014
1	Sri. P.V. Chandran, Chairman and Managing Director	4	4	Yes
2	Sri. K.N. Sreedharan, Director	4	4	Yes
3	Dr.K.Venkatachalam, Director	3	3	Yes
4	Sri.R.Soundararaja Perumal, Director	4	4	Yes
5	Mrs. Bhavya Chandran, Director	4	4	No
6	Sri.G. Udayakumar (Nominee Director, IDBI Bank Limited) (Upto 25/11/2014)	4	2	No
7	Mrs.Vidya Jyothish Pillai, Director	4	4	Yes

4. Audit Committee :

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

The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as in Section 177 of the Companies Act, 2013.

Members' attendances at the meetings were as follows.

Name of the Directors	Category	No. of Meetings attended during the year 2014-15
Sri. K.N. Sreedharan	Independent / Non Executive	4
Dr..K.Venkatachalam	Independent / Non Executive	3
Sri. R.Soundararaja Perumal	Independent / Non Executive	4

During the year, the Audit Committee held its meetings on 24.05.2014, 09.08.2014, 08.11.2014 & 01.02.2015.

AMBIKA COTTON MILLS LIMITED

CORPORATE GOVERNANCE REPORT (Contd...)

5. Nomination & Remuneration Committee

The company had earlier constituted a Remuneration Committee, the Board on 24.05.2014 changed its nomenclature to Nomination & Remuneration Committee and further reconstituted the committee. The Committee consists of Three Directors viz., Dr.K.Venkatachalam, Sri R. Soundararaja Perumal & Mrs Bhavya Chandran.

Terms of reference of the Committee are :

1. 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;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. 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 formulated the Policy as under

- i. Criteria for determining qualifications positive attributes and independence of a director - 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 .
- ii. Policy relating to remuneration
 - a. Directors - Adequate remuneration commensurate to the services contributed to the Company
 - b. Key Managerial personnel – Fair remuneration at par or above Industry level so as to attract talent and retain for long periods of time so as to achieve consistency and continuity.
 - c. Other employees - Value Remuneration which would ensure low labour turnover ratio

The Committee held its meetings on 09-08-2014 & 08-11-2014 and attendance of the members were as follows :

Name of the Directors	Category	No. of Meetings attended during the year 2014-15
Dr. K. Venkatachalam	Independent Director	2
Sri. R. Soundararaja Perumal	Independent Director	2
Mrs. Bhavya Chandran	Non-Executive Director-Promoter Group	2

AMBIKA COTTON MILLS LIMITED

CORPORATE GOVERNANCE REPORT (Contd...)

6. Stakeholders Relationship Committee (formerly called Investors' / Shareholders' Grievance Committee)

- i. The Investors' / Shareholders' Grievance Committee has been renamed and reconstituted on 08.11.2014 as the Stakeholders Relationship Committee.
- ii. The Members of the Committee are Sri. R. Soundararaja Perumal, Mrs. Vidya Jyothish Pillai & Mrs. Bhavya Chandran.
- iii. The Committee held its meetings on 08-11-2014, 29-11-2014 & 20-12-2014 and attendance of the members were as follows :

Name of the Directors	Category	No. of Meetings attended during the year 2014-2015
Sri. R. Soundararaja Perumal	Independent Director	3
Mrs. Vidya Jyothish Pillai	Non-Executive Director- Promoter Group	3
Mrs. Bhavya Chandran	Non-Executive Director- Promoter Group	3

- iv. Before the reconstitution of Stakeholders Relationship Committee, the Share Transfer Committee consisted of the following Directors and the details of the Meetings held are furnished below.

Name of the Directors	Category	No. of Meetings attended during the year 2014-2015
Sri. P.V. Chandran	Promoter Director & Executive	5
Dr. K.Venkatachalam	Independent Director	5
Sri. R.Soundararaja Perumal	Independent Director	5

- v. Shareholders complaints received during the year: 4 (during the quarter September 2014).
- vi. Share Transfer System: . In respect of share transfers which are received in physical form are processed and the share certificates are returned within a period of 7 days from the date of receipt of share certificate subject to the documents being valid and complete in all respects. To achieve this objective powers are delegated to approve transfer of securities to the Company's Registrars and Transfer Agents subject to placing of summary statement of transfer/ transmission of securities etc. by the Registrars to the Company .
- vi. The Committee has formulated a policy for early resolution of stakeholders' grievances and the same is made available in the company's website.

7. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee consists of Three Directors Sri. P.V.Chandran, Dr.K.Venkatachalam & Sri. R. Soundararaja Perumal. The committee has formulated the CSR Policy of the Company and the same is available in the Website www.acmills.in. In accordance with the Policy the Company has implemented its CSR Projects and spent Rs 91.00 Lakhs towards the same.

The Committee held its meetings on 09-08-2014 & 08-11-2014 and was attended by all the members

AMBIKA COTTON MILLS LIMITED

CORPORATE GOVERNANCE REPORT (Contd...)

8. Risk Management Committee

The Risk Management Committee consists of Three Directors Sri.P.V.Chandran, Dr.K.Venkatachalam & Mrs Vidya Jyothish Pillai. The committee has formulated Enterprise Risk Management Policy and the same is available in the Website www.acmills.in

9. Code of Conduct

The Company has adopted a Code of Conduct for Directors and Senior Management of the Company, as required by Clause 49 of the Listing Agreement.

A certificate from the Chairman and Managing Director regarding compliance with the Code is attached to this Report.

The Code has been displayed on the Company's website www.acmills.in.

10. General Body Meetings:

Location and time, where last three Annual General Meetings held :

Year	Location	Date	Time
2012	Hotel Sree Annapoorna, 75 East Arokiyasamy Road R.S.Puram, Coimbatore - 641 002	28.09.2012	12 Noon
2013	The Residency, 1076 Avinashi Road, Coimbatore - 641018	27.09.2013	12 Noon
2014	The Residency, 1076 Avinashi Road, Coimbatore -641018	24.09.2014	12 Noon

At the AGM held on 24.09.2014 ,Special Resolutions relating to consent of the Company accorded to Board of Directors (i) to borrow money and (ii) mortgaging the assets were passed. There were no special resolutions put through by Postal Ballot last year.

11. Means of Communication :

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

12. Information of Directors Appointed/ Reappointed :

i. Reappointment of Director Mrs. Bhavya Chandran

Mrs. Bhavya Chandran holds Masters Degree in Business Management. She has specialized in Finance and International Business and reappointment as a director would facilitate in the overall operations of the Company.

ii. 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.

AMBIKA COTTON MILLS LIMITED

CORPORATE GOVERNANCE REPORT (Contd...)

13. General Information to Shareholders :

Annual General Meeting (AGM) Date, Time and Venue	Wednesday, 23 rd September 2015 at 12.00 Noon at The Residency, 1076, Avinashi Road, Coimbatore – 641018.
Financial Calendar (tentative) :	
Results for Quarter ending	June 30, 2015 2 nd Week of August, 2015
	September 30, 2015 2 nd Week of November, 2015
	December 31, 2015 2 nd Week of February, 2016
	March 31, 2016 Last week of May 2016 (Audited).
	AGM September 2016.
Date of Book Closure	17.09.2015 to 23.09.2015 (Both days inclusive) for Dividend. The dividend if declared will be paid to those members whose name appears in the Register of Members as on Wednesday, 16.09.2015 in respect of shares held in physical form and in respect of shares held in dematerialized form on the basis of beneficial ownership as per details furnished by the depositories for this purpose at the end of business hours on Wednesday 16.09.2015.
Dividend Payment Date	Within thirty days from the date of AGM
Listing on Stock Exchanges	Listed in National Stock Exchange, Bombay Stock Exchange, Annual Listing Fee has been paid to the Stock Exchanges.
Stock Code	531978 (BSE) , AMBIKCO (NSE)
Demat ISIN Number in NSDL & CDSL for Equity Shares	ISIN Number : INE540G01014.

AMBIKA COTTON MILLS LIMITED

CORPORATE GOVERNANCE REPORT (Contd...)

Stock Market Data :

Month	The stock Exchange Mumbai (BSE)		National stock Exchange Mumbai (NSE)	
	High	Low	High	Low
April-14	347.50	275.05	354.70	271.50
May-14	367.00	297.00	359.75	295.00
Jun-14	420.10	330.00	420.90	330.00
July-14	464.40	356.60	460.80	355.30
August-14	540.00	432.30	539.95	420.00
September-14	579.00	464.05	582.00	460.00
October-14	506.80	437.45	507.95	438.05
November-14	522.00	466.00	524.00	463.75
December-14	555.45	480.00	555.00	480.00
January-15	572.40	501.00	566.90	477.00
February-15	550.00	495.00	554.60	497.05
March-15	835.00	532.00	832.00	528.00

Registrar & Share Transfer Agents	SKDC Consultants Ltd., Kanapathy Towers, 3 rd 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 Clause 47(c) of the Listing Agreement with Stock Exchange(s).

AMBIKA COTTON MILLS LIMITED

CORPORATE GOVERNANCE REPORT (Contd...)

Pattern of Share Holding as on 31.03.2015

S. No.	Category	No. of Shares	% of Share holding
1	Promoters	2857100	48.631
2	Banks, Financial Institutions, Mutual Funds	216965	3.693
3	Foreign Institutional Investors / NRIs	47186	0.804
4	Foreign Portfolio investments – Corporate	120801	2.056
5	Corporate Bodies	981586	16.708
6	Public		
	1. Individuals (holding nominal share capital upto Rs.1.00 Lakh)	859666	14.633
	2. Individuals (Holding nominal share capital in excess of Rs.1.00 Lakh)	709481	12.076
7	Any other (Specify)		
	a. Directors and their relatives	100	0.002
	b. Clearing Members	39556	0.673
	c. Hindu Undivided Families	42559	0.724
	Total	5875000	100.000

Distribution of Share Holding as on 31.03.2015

No. of Equity shares	No. of Share holders	% of Share holders	No. of Shares Held	% of Share holding
1 to 500	4052	90.39	372491	6.34
501 to 1000	201	4.48	158338	2.70
1001 to 2000	100	2.23	149756	2.55
2001 to 3000	33	0.74	83667	1.42
3001to 4000	10	0.22	35736	0.61
4001 to 5000	14	0.31	65002	1.11
5001 to 10000	30	0.67	220407	3.75
10001 and above	43	0.96	4789603	81.52
Total	4483	100.00	5875000	100.00
Dematerialisation of Shares	98.866% of the Company's paid-up Equity Share Capital has been dematerialized up to March 31, 2015. 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).			

AMBIKA COTTON MILLS LIMITED

CORPORATE GOVERNANCE REPORT (Contd...)

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

14. Disclosures

- i. The Company does not have any related party transactions.
- 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.
- iv. The Company does not have any subsidiary company .
- v. The Company has formulated Familiarization Programme for Independent Directors, to familiarize them with the Company, and the same has been made available on the website of the Company.
- vi. The Management Discussion and Analysis forms part of the Director’s Report and it includes matters as required under the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges.

AMBIKA COTTON MILLS LIMITED

CORPORATE GOVERNANCE REPORT (Contd...)

vii. Details of remuneration for the year ended 31.03.2015

(a) Non executive directors

S.No.	Name of the Director	Sitting Fees (Rs.)
1.	Sri.K.N. Sreedharan	120000
2.	Dr.K. Venkatachalam	90000
3.	Sri. R. Soundararaja Perumal	120000
4.	Vidya Jyothish Pillai	60000
5.	Sri.G. Udayakumar (Amount paid to IDBI Bank Limited)	30000
6	Mrs.Bhavya Chandran	60000
	Total	480000

(b) Chairman and Managing Director

Name of the Director	Salary (Rs)	Commission (Rs)	Sitting Fees (Rs)	Total (Rs)
Sri. P.V. Chandran	2400000	12700000	60000	15160000

viii. Shares of the company held by non-executive directors: Dr. K. Venkatachalam holds 100 Shares of the company as on 31st March 2015.

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

This is to confirm that the Company has adopted a Code of Conduct for its Board and Staff of the Company and a declaration to the effect that the same have been complied with has been received from them in respect of the Financial Year Ended 31.03.2015.

Date : 08/08/2015
Place : Coimbatore

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

AMBIKA COTTON MILLS LIMITED

CORPORATE GOVERNANCE REPORT (Contd...)

Annual Confirmation pursuant to Clause 49 (IX) of the Listing Agreement

To
The Board of Directors
Ambika Cotton Mills Limited
Coimbatore

As required by Clause 49(IX) of the Listing Agreement with Stock Exchanges, we hereby certify that :

- a) We have reviewed the financial statement and the cash flow statement of the Company for the year ended March 31, 2015 and that to the best of our knowledge and belief:
 - 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 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and if there are any deficiencies in the design or operation of such internal controls and we would take steps to rectify the deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that there are no
 - i) significant changes in internal control over financial reporting during the year;
 - ii) changes in accounting policies during the year and
 - iii) that there were no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal controls system over financial reporting.

Sd/-
M. Vijayakumar
Chief Financial Officer

Sd/-
P.V. Chandran
Chairman and Managing Director

Date : 08/08/2015
Place : Coimbatore

AMBIKA COTTON MILLS LIMITED

CORPORATE GOVERNANCE REPORT (Contd...)

Compliance Certificate from the Auditors of the Company

To the Members of Ambika Cotton Mills Limited

We have examined the compliance of conditions of Corporate Governance by Ambika Cotton Mills Limited (the company), for the year ended on 31st March 2015, as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges.

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

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

We state that in respect of investor grievance during the year ended 31st March, 2015, no grievances are pending for period exceeding one month against the Company as per the records maintained by the Stakeholders Relationship Committee.

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

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

Date : 08/08/2015
Place : Coimbatore

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

AMBIKA COTTON MILLS LIMITED

INDEPENDENT AUDITORS' REPORT

To

The Members of Ambika Cotton Mills Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Ambika Cotton Mills Limited ("the company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the 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 the 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 control, 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.

Auditor's Responsibility

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

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

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

AMBIKA COTTON MILLS LIMITED

INDEPENDENT AUDITORS' REPORT (Contd.)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015; and its Profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order ,2015 (" the Order ") issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

AMBIKA COTTON MILLS LIMITED

INDEPENDENT AUDITORS' REPORT (Contd.)

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) 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 to Note 25 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivatives 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 L. Venkatasubbu & Co
Chartered Accountants
Firm Regn No. 004627S
Sd/-
(L. Venkatasubbu)
Partner
Membership No. 019791

Date : 26.05.2015
Place : Coimbatore

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO INDEPENDENT AUDITORS' REPORT (Contd.,)

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

Referred to in Paragraph 1 under "Report on other Legal and Regulatory Requirements" section of our report of even date

1. In respect of its fixed assets
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the Management during the year at reasonable intervals, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories
 - a. As explained to us, inventories have been physically verified by the Management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to book records.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained U/s 189 of the Companies Act, 2013.
4. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.
5. The Company has not accepted any deposits from the public.
6. The Central Government has prescribed the maintenance of cost records under Section 148 (1) (d) of the Companies Act, 2013. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima-facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
7. According to the information and explanations given to us in respect of statutory and other dues:

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO INDEPENDENT AUDITORS' REPORT (Contd.)

- a. The Company is regular in depositing undisputed statutory dues including provident fund, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues with the appropriate authorities during the year. We are informed that the provisions of Employees State Insurance Act, 1948 are not applicable to the Company
- b. No undisputed arrears of statutory dues were outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.
- c. Disputed dues are as under

Name of the Statute	Nature of Demand	Amount Rs. in Lakhs	Period	Forum where dispute is pending
Income -Tax Act, 1961	Reopening of assessment	26.12	Assessment year 1998-99	Madras High Court,
Service Tax	Freight charges	4.80	From 16.11.1997 to 01.06.1998	CESTAT, Chennai
Customs Act	Interest for payment of duty	7.06	Assessment year 2005-06	CESTAT, Chennai
Central Excise	Demand for Used Spares on de-bonding	2.18	04.03.2005 (date of de-bonding)	CESTAT, Chennai
Service Tax	Payment of Foreign agents' Commission	2.96	From 18.04.2006 to 29.02.2008	CESTAT, Chennai
Central Excise	Modvat Credit	11.33	From 20.05.1999 to 06.08.1999	Madras High Court
Central Excise	Cenvat Credit of Excise Duty	33.80	From 07.12.2008 to 06.07.2009	CESTAT, Chennai
Central Excise	Cenvat Credit of Service Tax	28.90	From 01.10.2005 to 30.06.2006	Madras High Court
Sales Tax	Non-filing of Form "H" and Bill of Lading in respect of Exports	4.96	Assessment year 1996-1997	Deputy Commissioner of Appeals, (CT) Madurai
Central Excise	Cenvat Credit of Excise Duty	4.91	November 2008 to December 2010	CESTAT, Chennai
Central Excise	Cenvat Credit of Excise Duty	0.84	November 2007 to January 2011	CESTAT, Chennai
Central Excise	Cenvat Credit of Excise Duty	3.38	December 2007 to January 2011	CESTAT, Chennai
Customs Act	De-bonding of Unit-II from 100% EOU	312.23	Assessment year 2005-06	Madurai Bench of Madras High Court
Customs Act	De-bonding of Unit-II from 100% EOU	97.77	Assessment year 2005 -06	Madurai Bench of Madras High Court

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO INDEPENDENT AUDITORS' REPORT (Contd.)

- d. The company has transferred within time the amount required to be transferred to investor education and protection fund in accordance with the provisions of the Companies Act, 1956 (1 of 1956) and rules made there under .
8. The Company does not have any accumulated losses as at the end of the financial year and has not incurred cash losses in the financial year or in the immediately preceding financial year.
9. The Company has not defaulted in repayment of dues to Financial Institutions or Banks.
10. According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
11. The Company has not availed any new Term Loans during the year and hence its application for the purpose for which it was obtained does not arise.
12. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Date : 26.05.2015
Place : Coimbatore

For L. Venkatasubbu & Co
Chartered Accountants
Firm Regn No. 004627S
Sd/-
(L. Venkatasubbu)
Partner
Membership No. 019791

AMBIKA COTTON MILLS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2015

Particulars	Note No	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	58750000	58750000
Reserves and surplus	4	2953341201	2540580566
		3012091201	2599330566
Non-Current Liabilities			
Long-term borrowings	5	37500000	309330940
Deferred tax liabilities (Net)	6	408255565	411872757
		445755565	721203697
Current Liabilities			
Short-term borrowings	7	458491125	386099089
Trade payables		226391436	326470806
Other current liabilities	8	256926108	418775052
Short-term provisions	9	98994165	95781794
		1040802834	1227126741
TOTAL		4498649600	4547661004
II. ASSETS			
Non-Current Assets			
Fixed assets			
(i) Tangible assets	10 A	2697671205	2884597705
(ii) Intangible assets	10 B	1985868	3971738
(iii) Capital work-in-progress		60874	9956742
Long-term loans and advances	11	110533396	88298636
		2810251343	2986824821
Current Assets			
Current investments	12	779593	718500
Inventories	13	1445311269	1329023248
Trade receivables	14	60429540	57045650
Cash and cash equivalents	15	28060612	27437036
Short Term Loans & Advances	16	153774426	146384334
Other current assets	17	42817	227415
		1688398257	1560836183
TOTAL		4498649600	4547661004
Significant accounting policies	2		
See accompanying notes forming part of the Financial Statements			

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

For and on behalf of the Board

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

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

Sd/-
(R. SOUNDARARAJA PERUMAL)
DIRECTOR

Sd/-
(Dr.K.VENKATACHALAM)
DIRECTOR

Sd/-
(RADHEYSHYAM PADIA)
COMPANY SECRETARY

DATE : 26/05/2015
PLACE : COIMBATORE

Sd/-
(M.VIJAYAKUMAR)
CHIEF FINANCIAL OFFICER

AMBIKA COTTON MILLS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2015

Particulars	Note No	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
I. Revenue from operations	18	4955359797	4768585094
II. Other income	19	2960067	2246864
III. Total Revenue (I+II)		4958319864	4770831958
IV. Expenses:			
Cost of materials consumed	20	2941631862	2859179075
Purchases of Stock-in-Trade		0	0
Changes in inventories of finished goods and work-in-progress	21	109106466	-83785677
Employee benefits expense	22	243381525	240786956
Finance costs	23	63124228	120261790
Depreciation and amortization expense		293333103	316237718
Other expenses	24	670098069	721588429
Total expenses		4320675253	4174268291
V. Profit before exceptional and extraordinary items and tax (III - IV)		637644611	596563667
VI. Exceptional Items		0	0
VII. Profit before extraordinary items and tax (V - VI)		637644611	596563667
VIII. Extraordinary items		0	0
IX. Profit before tax (VII -VIII)		637644611	596563667
X Tax expense			
(1) Current tax			
(i) MAT		133638964	125038582
(ii) MAT credit reversed		-5852639	25643561
(2) Deferred tax		-3617192	-35791123
(3) Prior period Income tax		1720139	293073
		125889272	115184093
XI. Profit (Loss) for the period from continuing operations (IX -X)		511755339	481379574
XII. Profit / (loss) from Discontinuing operations		0	0
XIII. Profit (Loss) for the period (XI + XII)		511755339	481379574
XIV. Earnings per equity share (Face value of Rs.10/-)			
(1) Basic		87.11	81.94
(2) Diluted		87.11	81.94
Significant accounting policies	2		
See accompanying notes forming part of the Financial Statements			

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

For and on behalf of the Board

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

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

Sd/-
(R. SOUNDARARAJA PERUMAL)
DIRECTOR

Sd/-
(Dr.K.VENKATACHALAM)
DIRECTOR

Sd/-
(RADHEYSHYAM PADIA)
COMPANY SECRETARY

DATE : 26/05/2015
PLACE : COIMBATORE

Sd/-
(M.VIJAYAKUMAR)
CHIEF FINANCIAL OFFICER

AMBIKA COTTON MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

Particulars	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	637644611	596563667
Adjustment for		
Depreciation	293333103	316237718
Finance Cost	63124228	120261790
Increase in carrying amount of Investments	0	-12500
Sale of Plant & Machinery	-2193159	-14164044
Foreign Currency Fluctuation on revaluation	-14614654	-25585399
Foreign Currency Fluctuation in cash and cash Equivalents on Revaluation	-3014	5437
Investments Income:		
Interest/Dividend Received	-2947292	-2234364
Operating Profit Before Working Capital Changes	974343823	991072305
Changes in Working capital		
Adjustments for		
Inventories	-116288021	-407175405
Trade and other receivables	-10829589	81648348
Trade Payables	-266292577	-130051639
Cash generated from operations	580933636	535493609
Direct Taxes paid	-151850835	-157285552
Net Cash from operating activities	429082801	378208057
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-106834384	-309788905
Capital work in progress	9895868	-6325754
Sale of Fixed assets	4606810	32269149
Capital Advances	-3370288	-3089408
Acquisitions of Companies	0	0
Purchase of Investments	-61093	-136000
Sale of Investments	0	0
Interest Received	2890724	2227089
Dividend Received	56568	7275
Net cash used in Investing activities	-92815795	-284836554

AMBIKA COTTON MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015 (Contd.)

Particulars	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	0	0
Proceeds from Long Term borrowings	0	0
Proceeds from Working Capital borrowings	72392036	376106779
Foreign currency fluctuation on revaluation	354650	25781521
Repayment of Long Term borrowings	-271830940	-307021000
Repayment of Finance/ Lease Liabilities	0	0
Dividend Paid	-73437962	-55812886
Interest Paid	-63124228	-120261790
Net Cash Used in Financing Activities	-335646444	-81207376
Net increase in Cash and Cash Equivalents	620562	12164127
Cash and Cash Equivalents as at 1st April (Opening Balance)	27437036	15278346
Increase (+) / Decrease (-) on account of foreign currency revaluation	3014	-5437
Cash and Cash Equivalents as at 31st March (Closing Balance)	28060612	27437036

Notes:

1. Cash flow statement has been prepared under the indirect method.
2. Cash and cash equivalents include balances with scheduled banks on dividend account
Rs.14.93 Lakh (Previous year Rs.14.42 Lakh) which are not available for use by the Company.

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

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

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

Sd/-
(R. SOUNDARARAJA PERUMAL)
DIRECTOR

For and on behalf of the Board

Sd/-
(Dr.K.VENKATACHALAM)
DIRECTOR

Sd/-
(RADHEYSHYAM PADIA)
COMPANY SECRETARY

Sd/-
(M.VIJAYAKUMAR)
CHIEF FINANCIAL OFFICER

DATE : 26/05/2015
PLACE : COIMBATORE

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 1

Corporate Information

Ambika Cotton Mills Limited is engaged in manufacturing and selling speciality cotton yarn catering to the needs of manufacturers of premium branded shirts and t-shirts. Exports constitute significant portion of the operations. The company operates with total installed spindle capacity of 108228 (Previous Year 109872 Spindles) of compact facility housed in four units. The company has installed 27.4 MW wind power capacity for captive consumption of spinning segment. The Spinning Plants are located at Kanniyapuram, Dindigul and Windmills are located in Tirunelveli, Dharapuram and Theni in the State of Tamilnadu.

Note 2

Significant Accounting Policies

(a) Basis for preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and generally accepted accounting principles and comply in all material respects with the Accounting Standards specified under section 133 of the Companies Act , 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013.

(b) Use of Estimates

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

(c) Fixed Assets (Tangible/Intangible)

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

(d) Depreciation and amortization

Depreciation has been provided on fixed assets:

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

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

- iii. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets based on technical advice, where useful life is different than those prescribed in Schedule II are used

Description of Assets	Useful Life of Assets (In Years)
Administrative & Office Building	40
Plant & Machinery	18.94
Wind Mill	13.33
Office Equipments	3
Furniture & Fittings	3

- iv. The useful life of a fixed asset, at the time of the acquisition of the asset or of the remaining useful life, on a subsequent review, if, is shorter than as envisaged, depreciation is provided at a higher rate based on the remaining useful life.
- v. The depreciation is calculated over the useful life of the assets and scrap value is taken at nil in all the cases.
- vi. Intangible assets viz., Knowhow is amortized over the period of estimated useful life of 4 years.

(e) Inventories

Inventories are valued as under

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

(f) Revenue Recognition

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

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(g) Foreign Currency Transactions

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

(h) Government Grants

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

(i) Investments

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

(j) Employee benefits

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

(k) Borrowing Cost

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

(l) Segment reporting

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

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(m) Earnings per Share

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

(n) Current Tax

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

(o) Deferred Tax Liability

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

(p) MAT Credit Entitlement

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

(q) Impairment

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

(r) Derivative Contracts

The Company enters into derivative contracts in the nature of Foreign Currency Forward contracts with an intention to hedge its existing assets & liabilities, Firm commitments and highly probable transactions in foreign currency.

(s) Provisions, Contingent Liabilities and Contingent Assets

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

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 3 Share Capital	As at 31.03.2015		As at 31.03.2014	
	Number of Shares	Rs.	Number of Shares	Rs.
a. Authorised Equity Shares of Rs.10/ each with voting rights	<u>10000000</u>	<u>100000000</u>	<u>10000000</u>	<u>100000000</u>
b. Issued Equity Shares of Rs.10/ each with voting rights	<u>5875000</u>	<u>58750000</u>	<u>5875000</u>	<u>58750000</u>
c. Subscribed and fully paid up Equity Shares of Rs.10/ each with voting rights	<u>5875000</u>	<u>58750000</u>	<u>5875000</u>	<u>58750000</u>

Notes :

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

Name of the Shareholder	31.03.2015		31.03.2014	
	No. of Shares	% of holding	No. of Shares	% of holding
1. C. Bhavani	2272566	38.68	2272466	38.68
2. P.V. Chandran	584534	9.95	554534	9.44
3. IDFC Mutual Fund	216715	3.69	444101	7.56
4. Raghu Trading and Investment Co. Private Ltd	0	0.00	389490	6.63
- No shares are reserved for issue under options and contracts / commitments for the sale of shares /disinvestments
- For the period of five years immediately preceding the date as at which the Balance sheet is prepared, no shares are (a) allotted as fully paid up pursuant to contract (s) without payment being received in cash, (b) allotted as fully paid up way of bonus shares, (c) bought back.
- There are no securities convertible into equity / preference shares
- There are no calls unpaid & forfeited shares.

Note 4

Reserves & Surplus	As at	
	31.03.2015	31.03.2014
(a) Securities Premium Reserve As per last Balance Sheet	<u>Rs. 197258148</u>	<u>Rs. 197258148</u>
(b) General Reserve Opening Balance	1267981000	1167981000
Add : Transfer from Surplus in Statement of Profit & Loss Closing Balance	<u>100000000</u>	<u>100000000</u>
	<u>1367981000</u>	<u>1267981000</u>
(c) Surplus in Statement of Profit & Loss Opening Balance	1075341418	779880500
Add : Profit after tax for the year	511755339	481379574
Less : Provision for Dividend	-82250000	-73437500
Provision for Tax on Dividend	-16744165	-12480703
Prior Period Dividend & Dividend Tax	-539	-453
Transfer to General Reserve	-100000000	-100000000
Closing Balance	<u>1388102053</u>	<u>1075341418</u>
Total (a+b+c)	<u>2953341201</u>	<u>2540580566</u>

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 5	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Long - term Borrowings		
(i) Secured		
Term Loans from Banks	167826940	616351940
Less : Repayable within 1 year included under Other Current Liabilities	<u>-130326940</u>	<u>-307021000</u>
	<u>37500000</u>	<u>309330940</u>

Repayment and Maturity Profile of Term Loans

Name of the Bank	31.03.2015			31.03.2014		
	Loan amount outstanding Rs.	Last Installment falls due on / No.of quarterly Installments remaining	Rate of Interest	Loan amount outstanding Rs.	Last Installment falls due on / No. of quarterly Installments remaining	Rate of Interest
1. Bank of Baroda	45500000	30.09.2015 / 2	12.25%	145500000	30.09.2015 / 6	12.25%
2. Bank of Baroda	34826940	31.03.2016 / 4	12.75%	70351940	31.03.2016 / 8	12.75%
3. Bank of Baroda	0	-	12.25%	135000000	31.12.2017 / 15	12.25%
4. Axis Bank	87500000	30.10.2016 / 7	12.65%	137500000	30.10.2016 / 11	12.65%
5. IDBI Bank	0	-	12.00%	50000000	30.06.2015 / 5	12.00%
6. Corporation Bank	0	-	14.10%	78000000	31.12.2015 / 7	14.10%
	<u>167826940</u>			<u>616351940</u>		

The Term Loans at Item nos.3,5,& 6 were prepaid by the company. The Term Loans at Item nos. 1,2,4 & 6 are covered under interest reimbursement under Technology Upgradation Fund Scheme (TUFS). Term Loan outstanding as on 31.03.2015 are repayable as under

	Amount Rs.	Quarterly Installment Amount Rs.	No. of Installments
1. Bank of Baroda	25000000	25000000	1
	<u>20500000</u>	20500000	1
	45500000		
2. Bank of Baroda	26640750	8880250	3
	8186190	8186190	1
	<u>34826940</u>		
3. Axis Bank	87500000	12500000	7
	<u>87500000</u>		

Nature of Security

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

Loans Guaranteed by Directors : Nil

Period and amount of continuing Default : Nil

(ii) Unsecured 0 0

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Note 6		
Deferred Tax Liability		
Opening Balance	411872757	447663880
Add : Transferred from Statement of Profit & Loss	-3617192	-35791123
	<u>408255565</u>	<u>411872757</u>

Note 7

Short term Borrowings

(i) Secured

Loans Repayable on Demand From Banks

458491125	386099089
<u>458491125</u>	<u>386099089</u>

Nature of Security

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

Loans Guaranteed by Directors

Nil

Period and amount of continuing Default

Nil

(ii) Unsecured

0

0

Note 8

Other Current Liabilities

a. Current maturities of long-term debt	130326940	307021000
b. Interest accrued but not due on borrowings	437847	568902
c. Unpaid dividends	1493456	1441517
d. Other Payables		
(i) Statutory remittances	6277442	12501611
(ii) Payables on Purchase of Fixed Assets	3150868	0
(ii) Advances from Customers	18052896	17426209
(iv) Liability for Expenses	97186659	79815813
	<u>256926108</u>	<u>418775052</u>

Note 9

Short Term Provisions

a. Provision for Income Tax (net of Advance tax & TDS Rs.135283007/- (Previous year Rs.115174991/-))	0	9863591
b. Provision for dividend	82250000	73437500
c. Provision for dividend tax	16744165	12480703
	<u>98994165</u>	<u>95781794</u>

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 10

FIXED ASSETS :

Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As At 01.04.2014 Rs.	Additions (Sold/ Adjusted) during the year Rs.	Upto 31.03.2014 Rs.	Provided (Withdrawn) during the year Rs.	As At 31.03.2015 Rs.	As At 31.03.2014 Rs.
A. TANGIBLE ASSETS						
LAND	102536175	0	0	0	102536175	102536175
BUILDING	576547663	25198343	153389051	21707229	426649726	423158612
PLANT & MACHINERY	4115623964	78811402	1774735026	263976511	2153310178	2340888938
ELECTRICAL FITTINGS	266870	-13788133	266870	-11374482	0	0
FURNITURE & FIXTURES	851289	161099	612033	237557	162798	239256
OFFICE EQUIPMENTS	6135505	562686	4899757	1399567	398867	1235748
VEHICLES	32014291	2100854	15475315	4026369	14613461	16538976
TOTAL AS AT 31.03.2015	4833975757	106834384	1949378052	291347233	2229350803	2884597705
		-13788133		-11374482		2884597705
TOTAL AS AT 31.03.2014	4647260516	309788905	1740094763	314251848	2884597705	2907165753
		-123073664		-104968559		
B. INTANGIBLE ASSETS						
KNOWHOW	7943478	0	3971740	1985870	1985868	3971738
TOTAL AS AT 31.03.2015	7943478	0	3971740	1985870	5957610	3971738
TOTAL AS AT 31.03.2014	7943478	0	1985870	1985870	3971740	5957608

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Note 11		
Long Term Loans and Advances		
a. Capital Advances	6459696	3089408
b. Security Deposits		
i. Electricity Deposit	30109434	9441111
ii. In Fixed Deposit with bank (for guarantee)	385371	371800
iii. Other Deposits	461697	486620
c. MAT credit entitlement	60000000	60000000
d. CENVAT Credit and VAT receivable	13117198	14909697
	110533396	88298636
Note 12		
Current Investments		
a. Equity Shares (Quoted)		
i. Cholamandalam Investment and Finance Company Ltd (650 Equity Shares of Rs.10/- each) (Previous year 650 equity shares of Rs.10/- each)	65000	65000
ii. City Union Bank Ltd., (5000 Equity Shares of Rs.1/- each) (Previous year 5000 equity shares of Rs.1/- each)	17500	17500
b. Investments in Mutual Fund units		
LIC Nomura MF Equity Fund- Dividend Reinvestment Plan(48317.566 Units of Rs. 10 each) (Previous Year 48,317.566 Units of Rs.10 each)	561093	500000
c. Equity Shares (Unquoted)		
Suryadev Alloys & Power Private Limited (1000 Equity Shares of Rs. 10/- each) (Previous year 1000 Equity Shares of Rs.10/- each)	136000	136000
	779593	718500
<p>(Market value of quoted investments - Equity Shares Rs. 867415/- (Previous year Rs. 456645/-) Net asset value of Mutual Fund units Rs. 730320/- (Previous year Rs. 579270 /-) Mode of valuation : Carried at lower of cost and fair value</p>		
Note 13		
Inventories		
a. Raw Materials (at cost or net realisable value whichever is lower)	1246934710	1025321865
b. Work-in-progress (at an estimated cost or net realisable value whichever is lower)	76678167	115896993
c. Finished Goods (at an estimated cost or net realisable value whichever is lower)	52930464	121967304
d. Waste Cotton (at net realisable value)	9144850	9995650
e. Packing Materials (at cost or net realisable value whichever is lower)	12744718	11426203
f. Stores and Spares (at cost or net realisable value whichever is lower)	46878360	44415233
	1445311269	1329023248
Details of Raw Materials		
Raw Cotton	1243085674	1019676353
Modal	3849036	5645512
	1246934710	1025321865
Details of Work in progress		
Cotton in process	76678167	115896993
	76678167	115896993
Details of Finished goods		
Cotton Yarn	52189920	120096325
Knitted Fabrics	740544	1870979
	52930464	121967304

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Note 14		
Trade Receivables		
(Unsecured considered good)		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment	243831	354923
b. Trade receivables outstanding for a period less than six months from the date they were due for payment	60185709	56690727
	<u>60429540</u>	<u>57045650</u>
Note 15		
Cash and Cash Equivalents		
a. Cash on hand	3997875	2414914
b. Balances with Banks		
(i) In Current accounts	13216844	16999378
(ii) In EEFC accounts	932900	571412
(iii) In Demand Deposit accounts	8419537	6009815
(iv) In earmarked accounts - Unpaid dividend accounts	1493456	1441517
	<u>28060612</u>	<u>27437036</u>
Note 16		
Short-Term Loans & Advances		
(Unsecured and considered good)		
a. Staff Advance	0	0
b. Advance for supply of materials	14293714	10733622
c. Interest reimbursement receivable (TUFS)	20077968	20640760
d. EB receivable (due from State Government)	0	186698
e. Balances with Government authorities		
i. Duty drawback receivable	34956529	36436143
ii. Cenvat & Service tax credit receivable	9844458	15241525
iii. MAT credit carried forward	37999878	32147239
iv. Income Tax refund Due	1644043	0
v. VAT & Sales tax receivable	2645203	4153530
f. Pre-paid Expenses	8784875	17340308
g. Others		
i. Cotton Purchase debit Note	1534072	3798778
ii. LC Opening charges for Import of cotton	1601416	3418981
iii. Forward cover receivable.	20392270	2286750
	<u>153774426</u>	<u>146384334</u>
Note 17		
Other Current Assets		
Interest accrued on Deposits		
Bank	42817	214895
Others	0	12520
	<u>42817</u>	<u>227415</u>

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
Note 18		
Revenue from Operations		
(i) Sale of Products (Refer Note (i) below)	4837376050	4595223866
(ii) Other Operating Revenue (Refer Note (ii) below)	117983747	173361228
	<u>4955359797</u>	<u>4768585094</u>
Less: Excise Duty	0	0
	<u>4955359797</u>	<u>4768585094</u>
(i) Sale of Products Comprises of		
Cotton Yarn	4265227960	4205012953
Knitted Fabrics	224582943	39450342
Waste Cotton	347565147	350760571
	<u>4837376050</u>	<u>4595223866</u>
(ii) Other Operating Revenue		
a. DEPB (For Export)	0	677106
b. Duty draw back	81881844	89682719
c. Trading Profit - Cotton & Yarn	33560264	56620758
d. Profit on Sale of Machinery	2193159	14164044
e. Rent	330000	330000
f. Sundry Parties Written Off	0	3793243
g. Wind Energy	0	8093358
h. Insurance Claim	18480	0
	<u>117983747</u>	<u>173361228</u>
Note 19		
Other Income		
a. Interest (Refer Note (i) below)	2890724	2227089
b. Dividend	56568	7275
c. Increase in value of Investments	12775	12500
	<u>2960067</u>	<u>2246864</u>
Interest Income Comprises of		
From banks on deposits	784231	688671
Other Interest	2106493	1538418
Total Interest Income	<u>2890724</u>	<u>2227089</u>

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
Note 20		
Cost of Materials Consumed		
Opening Stock	1025321865	706873091
Add : Purchases	3403417796	3425681941
	<u>4428739661</u>	<u>4132555032</u>
Less:Sales	240173089	248054092
	<u>4188566572</u>	<u>3884500940</u>
Less : Closing Stock	1246934710	1025321865
Cost of Materials Consumed	<u>2941631862</u>	<u>2859179075</u>
Materials Consumed Comprises of		
Raw Cotton	2863635750	2854784182
Modal	77996112	4394893
	<u>2941631862</u>	<u>2859179075</u>
Note 21		
Changes in Inventories of Finished goods and Work-in-Progress		
Opening Stock of Work in progress	115896993	90973603
Opening Stock of Finished Goods	121967304	66692541
Opening Stock of Waste Cotton	9995650	6408126
Total (A)	<u>247859947</u>	<u>164074270</u>
Closing Stock of Work in progress	76678167	115896993
Closing Stock of Finished Goods	52930464	121967304
Closing Stock of Waste Cotton	9144850	9995650
Total (B)	<u>138753481</u>	<u>247859947</u>
Increase (-) / Decrease (+) in Stock (A - B)	109106466	-83785677
Note 22		
Employee Benefits Expense		
Salaries & Wages	179506677	183170369
Contribution to Provident Fund & Other Funds	13109578	11701492
Staff Welfare Expenses	50765270	45915095
	<u>243381525</u>	<u>240786956</u>

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
Note 23		
Finance Costs		
a. Interest Expense		
(i) Fixed Term loans	30510384	70583040
(ii) Working Capital Loans	32090459	37128875
b. Other Borrowing Costs	523385	337485
c. Net Gain/Loss on Foreign Currency transactions	0	12212390
	63124228	120261790

Note 24

Other Expenses

Stores Consumed	49230997	58955229
Power & Fuel	253463211	261056941
Materials Sizing & Fabrication	9670488	1561262
Freight Inwards	1898985	2368133
Machinery Maintenance	12301699	10200330
Building Maintenance	45419129	46345764
Vehicle Maintenance	13755519	11783643
Printing & Stationary	1022574	881275
Postage & Telephone	2536907	2989764
Travelling Expenses	1042317	3315446
Insurance	9340392	10218195
Licence Fees & Taxes	9676217	5687677
Bank Charges	8542668	8463540
Professional & Legal Charges	2838397	2876757
Salary to Managing Director	15100000	14300000
Auditors Remuneration	337080	337080
Foreign Exchange Fluctuation	12848103	95171222
Freight Outwards	65460865	50492268
Packing Materials	70773753	65232950
Brokerage & Commission	64550240	61244972
Rate Discount	3093230	762126
Sundry Parties Written Off	269669	0
Advertisement	833944	747713
Security Service Charges	4048556	3818839
CSR Expenses	9100858	0
Miscellaneous Expenses	2942271	2777303
	670098069	721588429

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 25

Other Additional Information:

i	Commitment and Contingent Liabilities:-
a	Commitment: In respect of contract remains to be executed on capital account Rs.1175 Lakh (Previous year Rs. 745 Lakh). (Advance and other expenditure incurred Rs. 65 Lakh) (Previous year Rs. 130 Lakh)
b	Contingent Liabilities: Export Bills discounted / lodged with the Bank Rs.2651 Lakh (Previous year Rs. 1363 Lakh)
c	In respect of Assessment Year 1998-1999, the claim of the company for deduction of proportionate export profits from book profits was allowed by the Income-tax department while completing the original assessment. The same was revised in the reassessment proceedings and the department has raised a demand of Rs.26.12 Lakh and the order raising the demand has been stayed by Madras High Court pursuant to the writ filed by the Company. In a similar case the Supreme Court has upheld the principles of claim contested by the Company.
d	In respect of assessment year 2004-05 the Income-tax department sought to re-open the assessment U/ s 147 of the Income-tax Act 1961 in respect of claim of depreciation @ 80% in respect of the windmills. However, the Company has filed a writ before Hon'ble Madras High Court and the matter is pending. No demand is raised so far. In similar cases, Madras High Court has allowed the appeals in favour of the assessees.
e	The Central Excise department has raised a demand towards service tax of Rs.4.80 Lakh in respect of Freight charges paid by the Company, which was earlier held unconstitutional by Hon'ble Apex Court. The matter is contested before CESTAT, Chennai.
f	The Central Excise department has raised a demand of Rs.7.06 Lakh on account of interest in respect of an Advance License for annual requirement. The matter is stayed by CESTAT Chennai. However the demand is paid by the Company to redeem the License.
g	The Central Excise department has raised a demand of Rs.1.09 Lakh and further a penalty of Rs.1.09 Lakh proposing to levy the same in respect of used spares on de-bonding of 100 % EOU and the matter is presently pending before CESTAT Chennai.
h	The Central Excise department has raised a Service Tax demand of Rs.2.12 Lakh, Interest Rs.0.31Lakh and Penalty Rs.0.53 Lakh for payment of commission to Foreign Agents and the matter is presently pending before CESTAT Chennai.
i	The Central Excise department has not accepted claim of Modvat credit of Rs.11.33 Lakh made by the Company in respect of its erstwhile 100% EOU unit and the matter is pending before Madras High Court.

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 25 (Contd...)

Other Additional Information:

j	The Central Excise department has not accepted claim of Cenvat Credit of Excise duty of Rs.33.80 Lakh made by the Company in respect of capital goods for the reason that during the impugned period cotton yarn was exempted and the matter is presently pending before CESTAT Chennai. However in a similar matter the Gujarat High Court has allowed the claim of the assessee.
k	The Central Excise department has not accepted claim of Cenvat Credit of Service Tax of Rs.28.90 Lakh made by the Company in respect of Windmills for the reason that windmills are situated outside the factory and the matter is pending before Madras High Court. In the Company's own case , for a different year , the claim was allowed by Commissioner Central Excise (Appeals), Madurai .
l	The Sales Tax Department in respect of Assessment Year 1996-97 has raised a demand of Rs.4.96 Lakh for non filing of certain forms and the matter is contested before Appellate Deputy Commissioner (Commercial Taxes), Madurai. The Company has remitted 25% of the disputed tax Rs.1.24 Lakh and for the balance 75% of the disputed tax demand Rs.3.72 Lakh has furnished a bank guarantee.
m	The Central Excise department has raised a demand of Rs.0.65 Lakh towards interest and Rs.4.26 Lakh towards penalty for non- reversal of Cenvat Credit on account of its view that Cotton yarn is an exempted product during the period from November 2008 to December 2010.The matter is presently pending before CESTAT, Chennai.
n	The Central Excise department has raised a interest demand of Rs.0.25 Lakh for late reversal of Cenvat credit and further levied a penalty of Rs.0.59 Lakh and the matter is presently pending before CESTAT, Chennai.
o	Pursuant to the Appeal filed by the Central excise department, the Commissioner of Central Excise (Appeals)Madurai allowed the Appeal of the department which raises a demand of Rs.1.69 Lakh disallowing the CENVAT Credit as wrongly availed and further a penalty of Rs.1.69 Lakh and the matter is presently pending before CESTAT, Chennai
p	The Company has de-bonded one of its units (Unit – II) from 100 % EOU after completion of initial period of 5 Years and after fulfillment of export obligation by achieving Positive NFEP (Net Foreign Exchange) in accordance with EXIM policy. The de-bonding involved payment of duty under EPCG License (for capital goods) and Advance License (For Raw materials imported) Schemes. The de-bonding was completed after obtaining " No Dues Certificate from the Assistant

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 25 (Contd...)

Other Additional Information:

	<p>Commissioner, Central Excise , Dindigul and final exit order from the Deputy Commissioner , MEPZ , Chennai .The Export Obligation , for duty discharge , fixed both under EPCG Scheme and advance License Scheme are also fulfilled and the respective licenses are redeemed from JDGFT , Coimbatore . Subsequent to the above fulfillment, the Central Excise Department has raised a Demand of Rs.410 Lakh towards de- bonding of Unit – II and the same is contested by way of writ before Hon'ble Madurai Bench of Madras High Court and the matter is stayed by the High Court.</p>		
q	<p>TANGEDCO (Tamilnadu Generation and Distribution Corporation Limited) has raised a demand for self generation tax in respect of electricity generated by windmills amounting to Rs.355 Lakh (Previous year Rs. 309 Lakh) and the matter has been stayed by Madras High court and pursuant to the same TANGEDCO kept the demand in abeyance . TANGEDCO has further raised a demand of Rs. 157 Lakh (Previous Year Rs.139 Lakh) for cross subsidy in respect of power sourced from outside and the same has been set aside by Madras High court and TANGEDCO has preferred an appeal before Division bench of Madras High Court and the matter is pending. The Company has fully provided for these demands.</p>		
r	Details of EPCG Authorization & Export obligations		
		Export obligation to be fulfilled in USD*	Duty (Rs In Lakh)
	Opening Balance	905209.67	84
	Add : New Authorizations obtained during the year	1754791.35	195
	Less : Obligation fulfilled during the year, pending redemption	1551565.95	155
	Closing Balance	1108435.07	124
	<p>* Obligation in USD is computed at 8 times of the Duty saved amount , to be fulfilled within a period of 8 years from the date of authorization. In the case of the Company the above closing balance obligation in USD 1108435.07 is in respect of authorizations obtained during the current financial year. The Obligation fulfilled Authorizations are pending for redemption.</p>		

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 25 (Contd...)

Other Additional Information:

ii	Auditors' Remuneration	2015 Rs.	2014 Rs.
	Audit Fees	337080	337080
	Total	337080	337080

iii.	a. Earnings Per Share (EPS)	2015	2014
	Profit after Tax as per Statement of Profit and Loss (Rs. in Lakhs)	5118	4814
	Average No. of Equity Shares (Face Value Rs.10/- each)	5875000	5875000
	Earning Per Share (EPS) (Basic) (Rs.)	87.11	81.94
	Earning Per Share (EPS) (Diluted) (Rs.)	87.11	81.94
	b. Dividend Proposed to be distributed to Equity Shareholders		
	Amount of Dividend (in Rs)	82250000	73437500
	Amount per Share (in Rs.)	14	12.5

iv.	Details of TUFS Interest Reimbursement (Rs. In Lakh)				
	Opening Balance (1)	Receivable for the year (2)	Total Receivable 3 (1+2)	Received during the Year (4)	Closing Balance (5) (3 - 4)
	206 (149)	160 (283)	366 (432)	167 (226)	201 (206)

(Figures in bracket relates to previous year)

v. Breakup of Trade Payables

[Rs in Lakhs]

Particulars	31.03.2015	31.03.2014
Acceptances	1432	2536
Other than Acceptances	832	729
Total	2264	3265

vi. Depreciation was recomputed on the basis of the life of the Assets which also includes recomputation on account of Schedule II of the Companies Act, 2013 in respect of certain assets. Consequent to this change in accounting estimate the additional depreciation provided in the accounts amounted to Rs.46.53 Lakh. This change in accounting estimate would not amount to change in accounting policy in the matter of calculation of depreciation.

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 25 (Contd...)

Other Additional Information:

- vii. In terms of information available with the company there are 1 party (Previous Year (One) party) who are duly registered under Micro, Small and Medium Enterprises Development Act, 2006 and in respect of whom the amount payable Outstanding as on 31.03.2015 is Rs. 31,50,868/- (Previous year Rs.16,18,363/-) and the same was settled within the agreed dates which is not more than 45 days from the day of acceptance or deemed acceptance of the goods.
- viii. Vehicle maintenance includes cost of expenditure exclusively incurred to provide transport to the employees from their place to work spot Rs. 133 Lakh (Previous year Rs.116 Lakh) and staff welfare expenses include quarterly bonus paid amounting to Rs.143 Lakh (Previous year Rs.146 Lakh).
- ix. Reversal of Deferred tax liability is on account of timing difference of depreciation amounting to Rs. 36 Lakh (Previous year Rs. 358 Lakh).
- x a. The year-end Foreign Currency Exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at 31.03.2015		As at 31.03.2014	
	Assets	Liabilities	Assets	Liabilities
(i) In USD	39042	3589672	215877	10426824
(ii) In INR(Lakh)	24	2243	129	6247

- x b. Outstanding Forward Exchange Contracts entered into by the company as on 31.03.2015 .

Currency	Amount	Buy/ Sell	Cross Currency
USD	7902100 (1866469)	Sell	INR
USD	3645165 (-)	Buy	INR

Figures in brackets relate to the previous year

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 25 (Contd...)

Other Additional Information :

xi Employee Benefits:

- a. Company's Contribution to Provident Fund: Rs.131.10 Lakh (Previous Year Rs. 117.01Lakh)
- b. Statement on Defined Benefit Plan - Gratuity (Covered under LIC Employees Cash Accumulation Scheme) The Following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at 31st March 2015.

(i) Present value of obligations

Particulars	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Obligations at the beginning of the year	1415483	1109754
Interest Cost	113239	88780
Current Service Cost	205299	140388
Benefit paid	(256515)	(463755)
Actuarial (Gain) /loss on obligations	1779386	540316
Obligations at the end of the year	3256892	1415483

(ii) Fair value of Plan assets

Particulars	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Fair Value of the plan assets, beginning of the year	1456056	1767909
Expected return on plan assets	140709	130940
Contributions	937486	20962
Benefit paid	(256515)	(463755)
Actuarial (Gain) /loss on plan Assets	0	0
Fair Value of the plan assets, end of the year	2277736	1456056

(iii) Expenses to be recognized for the current year

Particulars	31.03.2015 (Rs.)	31.03.2014 (Rs.)
Current Service Cost	205299	140388
Interest Cost	113239	88780
Expected return on plan assets	(140709)	(130940)
Actuarial (gain)/ loss for the year	1779386	540316
Expense to be recognized in statement of Profit and Loss	1957215	638544

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 25 (Contd...)

Other Additional Information :

(iv) Actuarial Assumption

	For 31.03.2015	For 31.03.2014
Discount Rate	8.00%	8.00%
Salary Escalation	5.00%	5.00%

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

xii. Segment Reporting :

(i) Business segment

(Rs. in Lakh)

Particulars	Textiles		Windmills		Total	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Gross Segment Revenue	49554	47605	2776	2762	52330	50367
Less : Intersegment Revenue	0	0	2776	2681	2776	2681
Total Revenue	49554	47605	0	81	49554	47686
Segment Result	5837	6089	1141	1058	6978	7147
Less: Finance Cost					631	1203
Add: Unallocable Other Income net of Expenditure					29	22
Profit before Tax					6376	5966
Less : Tax Expense					1258	1152
Profit for the Year					5118	4814
Segment Assets	37174	36427	6816	8128	43990	44555
Unallocated Assets					996	922
Total Assets					44986	45477
Segment Liabilities	4147	4914	373	327	4520	5241
Unallocated Liabilities					10345	14242
Total Liabilities					14865	19483
Other information						
Capital Expenditure	1068	3098	0	0	1068	3098
Unallocated Capital Expenditure						
Expenditure						
Depreciation	1729	1958	1204	1204	2933	3162
Unallocated Depreciation		0		0		0
Non - Cash Expenses						
Other than Depreciation		0		0		0

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 25 (Contd...)

Other Additional Information :

(ii) Geographic Segment

(Rs. in Lakh)

Particulars	Europe	East Asia & South East Asia	South Asia (Other than India)	Others	India	Total
Sale of Goods	2529 (2674)	23138 (23221)	2865 (3687)	- (-)	19842 (16370)	48374 (45952)
	(Figures in bracket relates to previous year)					

xiii. Value of Imported and Indigenous Raw Materials and Spare parts consumed and percentage thereof :		2015		2014	
		Value (Rs. in Lakh)	% to Total	Value	% to Total (Rs. in Lakh)
i)	Raw Materials :				
	Imported	20969	71.28	23554	82.38
	Indigenous	8447	28.72	5038	17.62
	Total	29416	100.00	28592	100.00
ii)	Spare Parts :				
	Imported	96	19.51	119	20.17
	Indigenous	396	80.49	471	79.83
	Total	492	100.00	590	100.00

		2015 (Rs. in Lakh)	2014 (Rs. in Lakh)
xiv.	a. Earnings in Foreign Exchange	28532	29582
	b. Expenditure in Foreign Currency :		
	i) For Import of Capital Goods	252	877
	ii) For Import of Raw Materials	24388	28040
	iii) For Import of Spares	103	144
	iv) For Interest & Bank Charges	211	309
	v) For Commission	370	403
	vi) License fee	3	3
	Total expenditure in foreign currency	25327	29776

AMBIKA COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 25 (Contd...)

Other Additional Information :

xv. Details of CSR Expenditure :

- a. Gross amount required to be spent by the Company during the year Rs.88 Lakh.
- b. Amount spent during the year on

[Rs In Lakh]

S.No	Particulars	In Cash	Yet to be paid in cash	Total
i)	Construction/acquisition of any asset	0	0	0
ii)	On purposes other than (i) above	91.00	0	91.00

xvi. The Company does not have any related party transactions or inter corporate loans.

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

xviii. Figures are rounded to the nearest rupee.

For and on behalf of the Board

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

Sd/-
(Dr.K.VENKATACHALAM)
DIRECTOR

Sd/-
(R.SOUNDARARAJA PERUMAL)
DIRECTOR

Sd/-
(RADHEYSHYAM PADIA)
COMPANY SECRETARY

Date : 26.05.2015
Place : Coimbatore

Sd/-
M. VIJAYAKUMAR
(CHIEF FINANCIAL OFFICER)

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

1	Name of the Company	Ambika Cotton Mills Limited
2	Annual financial Statements for the year ended	31 st March, 2015
3	Type of Audit observation	Un-qualified / Matter of Emphasis
4	Frequency of observation	----
5	To be signed by	
	CEO/ Managing director	<p>For AMBIKA COTTON MILLS LTD.,</p>  <p>(P.V. CHANDRAN) Chairman and Managing Director</p>
	Auditor of the company	<p>For L.VENKATASUBBU & CO, Chartered Accountants FR No: 004627S</p>  <p>(L.VENKATASUBBU) Partner (M.No. 19791)</p> 
	Audit Committee Chairman	