



## Ambika Cotton Mills Limited

### **PROCEEDINGS OF THE TWENTY NINTH AGM OF THE COMPANY HELD ON 27<sup>TH</sup> SEPTEMBER 2017 AT VIVANTA TAJ BY SURYA , COIMBATORE.**

#### Directors Present

Sri. P.V. Chandran  
Sri.K.N.Sreedharan  
Dr.K.Venkatachalam  
Mrs.Vidya Jyothish  
Mrs.Bhavaya Chandran

The Quorum being present the meeting commenced.

SRI. P.V.CHANDRAN, Chairman and Managing Director presided the meeting.

The Chairman made a Statement as under

Dear Shareholders,

I am happy to welcome you all to the Twenty Ninth AGM of the Company.

1. The Directors' Report and accounts are with you for quite some time and I am happy to draw your attention that the company had made further progress in fiscal 2017. The total income amounted to Rs.529.40 Crores as against previous year total income of Rs. 494.08 Crores representing growth of 7.15% as against 0.35% decline in the previous year. The gross profit amounted to Rs.101.29 Crores as compared to Rs.88.88 Crores of the previous fiscal. This represents growth of 13.97% in gross profit as against 4.53% decline in the previous year.
2. The direct export turnover in fiscal 2017 amounted to Rs. 249.65 Crores as against Rs. 259.61 Crores of fiscal 2016, representing a decline of 3.83% (Previous Year 9.01%). The export turnover constituted 48.39% of the net sales as against 53.71% of the previous fiscal. The Deemed exports realized in USD constituted Rs.57.25 Crores as against Rs.47.38 Crores in the previous year .
3. In the first quarter ended 30th June 2017 of the current year, the company had made a total sales turnover of Rs.135.19 Crores comprising of an Direct export turnover of Rs.60.01 Crores. Deemed Exports amounted to Rs.18.75 Crores .The net profit for the period stood at Rs.14.43 Crores and Cash Profit at Rs.21.49 Crores. The Company up to 26th September 2017 had made a total income of Rs.264.32 Crores of which Direct Exports amounted to Rs.137.35 Crores.
4. I am glad to inform you that the company is not having any long term liability as on 31.03.2017. The performance for the year was on account of continued strengthening of core production process, better generation and evacuation of wind power coupled with outsourced power at favorable prices .
5. I would like to add that the Company has invested Rs.17.52 Crores towards strengthening of its manufacturing operation of its spinning segment and has invested Rs.10.07 Crores in Knitting segement. The total investment in Plant & Machinery amounted to Rs.27.59 Crores . The knitting facility would knit fabrics upto 8,000 Kgs per day .

For AMBIKA COTTON MILLS LTD.,

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

tel : +91 422 2491501, +91 422 2491502 fax : +91 422 2499623 and Managing Director)

email : ambika@acmills.in

CIN : L17115TZ1988PLC002269

The Company is further investing Rs.27.00 Crores to enhance the Knitting Capacity from 8,000 Kgs per day to 32,000 Kgs per day. This expanded facility is expected to commence operations from November 2017 onwards. All the capital expenditures incurred and proposed to be incurred are met / to be met out of internal accruals. It is to be noted that 90 % of the Knitted fabrics are exported.

6.The per spindle operating profit (after interest) in FY 2017 stood at Rs.9381/- as against Rs.8230/- in the previous year and for the current quarter 30th June 2017 per spindle operating profit amounted to Rs.9848/-.

#### 7. CSR Activities of the Company

(i) In the background of worsening of ground level water situation ,the Company approached District Collector , Dindigul, offered to undertake and with the due approval of the District administration, has undertaken and deepened and desilted 6 canals and tanks so as to improve the ground level water table .The work after completion was inspected by Revenue Secretary of Govt of Tamilnadu and District Collector Dindigul and greatly appreciated the work .

(ii) The Company has under taken further supply of water during the period of water scarcity to the needy villages.

(iii)The Company has supported Coimbatore Police Commissionerate in establishing Childrens Education Traffic park so as to inculcate in the young minds the knowledge relating to traffic rules to avoid accidents.

(iv) The Company has supplied state of art GE make two ventilators to the Pediatric Department ,Coimbatore Govt Medical College Hospital .This will greatly save the life of children.

(v) Cattles are preserved and protected in the area of Animal Protection activities. There are nearly 100 Cows and Bulls and the other cattles are housed and are provided all facilities required .

8. I hope that the members would appreciate the consistent performance of the Company and the overall growth achieved in the backdrop of weak global economic environment and domestic demand slowdown on account of demonetization and transition to GST.

9.The impact of GST , in the view of the company is a short term hiccup. Even though GST has impacted the business in the short run, this fundamental change in carrying out day to day business activities would provide strong base for the future economic growth of the country by broad basing the tax base . This broad basing of tax base would ultimately continue to lead to a situation for reduction in corporate taxes in future. However the trend of long festival holidays coupled with Bank holidays stretching continuously for more than three to four days , in the view of the Company , really impinge the overall performance not only specific to the operations of the Company but in the overall context of the entire economic spectrum of the Country. This has to change and the interest of the economic activity has to be protected by ensuring continued operations of the Banking system .

For AMBIKA COTTON MILLS LTD.,

P.V. CHANDRAN

Chairman and Managing Director

- 10.I assure you that the company would continue to perform well in the coming periods as before.
- 11.The attention of the members was drawn to the resolutions contained in the Notice convening the 29th Annual General Meeting dt :12.08.2017 and the availability of the facility of voting by use of Ballot in respect of the resolutions for those members who have not exercised e-voting.
- 12.Thereafter, there was an open discussion.
- 13.The members who have participated in the discussion appreciated the Company on various matters such as (i) the overall financial performance and prudent Management ,(ii) carrying no long term debt,(iii) carrying out Buyback of shares(iv) payment of interim Dividend (v) the broad based carrying of CSR activities. While some members suggested to consider splitting of shares for which some of them are not in agreement. Some members suggested continue to consider buyback of shares in place of dividend.
14. The Chairman explained in detail the operations of the Company. He said it is very difficult to match and compete with the quality of the products made by the Company by any competitor.The Company is the preferred supplier for most of the brands both domestic and international. He added that the Company is not depending upon any particular customer or variety of cotton for the sustained operations of the Company. He further added that the Company sustained its performance even when the whole textile industry experienced difficult times. He further said that 90% of the knitted fabrics are exported and there is a good demand for the same and therefore the knitting facility is expanded. The expansion of Spinning project will be initiated as and when the land clearance is obtained from the court, which is long pending .He added that since the Company has housed its own power station with EHT supply which ensures uninterrupted and quality power to the existing units II,III & IV and in that view of the matter it is quite preferable to have the aforesaid project at the envisaged place. He emphasized the shareholders that the Company always keeps foremost their interest.
15. Dr.K.Venkatachalam, Director of the Company made a presentation with regard to adequacy of captive wind power to spinning segment and thereby cost savings achieved and the continued long term benefit. He also explained with regard to availability of solar power by utilization of roof tops in the periods to come and some discussions are taking place with regard to feasibility and other related issues.
- 16.The members exercised their vote at the venue of the Annual General Meeting on the Ballot Form provided at the meeting.
- 17.After exercise of vote by members, the meeting was closed.
- 18.The scrutinizer Mr.B.Krishnamoorthi, Chartered Accountant have collated the votes received through e-voting and physical Ballot forms voted at venue in respect of the resolutions contained in the Annual General Meeting dt :12.08.2017 and forwarded his report dated :27.09.2017 which are detailed below:

For AMBIKA COTTON MILLS LTD.,

  
(P.V. CHAKRAVARTHI)  
Chairman and Managing Director

Sl. No	Resolutions Passed	Type of Resolution	% of Votes		Status of the resolution
			For	Against	
1	RESOLVED THAT the Audited Financial Statements of the Company for the year ended 31st March 2017 including the Audited Balance Sheet as at March 31, 2017, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and Reports of Directors and Auditors thereon be and are hereby considered and adopted .	Ordinary Resolution	100.000	-	Passed with requisite majority
2	RESOLVED THAT Mrs. Bhavya Chandran (DIN 02080649) a Director retiring by rotation be and she is hereby re-appointed as a Director of the Company in the same place vacated by her.	Ordinary Resolution	99.802	0.198	Passed with requisite majority
3	RESOLVED THAT the Auditors M/s. Srikishen & Co., Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company ( ICAI Reg No.004009S) to hold office from conclusion of 29th AGM till the conclusion of 34th AGM,subject to ratification by the shareholders at every Annual General Meeting to be held during the said period , on such remuneration as shall be fixed by the Board of Directors of the Company.  FURTHER RESOLVED THAT the Board of Directors or the Audit Committee thereof, be and is hereby authorized to decide and finalize the terms and conditions of appointment, including the remuneration of the Statutory Auditors."	Ordinary Resolution	99.802	0.198	Passed with requisite majority
4	Resolved that Sri.E.M.Nagasivam (DIN 07894618) be and he is hereby appointed as Independent Director of the Company for a period of 5 years with effect from 12.08.2017 to 11.08.2022.	Ordinary Resolution	99.802	0.198	Passed with requisite majority
6	RESOLVED THAT the remuneration of the Cost Auditors for the Financial year ending 31.03.2018 be and is hereby ratified and confirmed .  FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."	Ordinary Resolution	100.00	0.000	Passed with requisite majority

Place: Coimbatore  
Date: 03.10.2017

For AMBIKA COTTON MILLS LTD.,

(P V CHANDRAN  
Chairman and Managing Director)