

AMBIKA COTTON MILLS LIMITED

C. CORPORATE GOVERNANCE REPORT

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

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

2. Board of Directors

(A) Composition and Category of Directors

Name of the Director	Promoter/Executive /Non Executive / Independent	No. of outside Directorship in Public Limited Companies	Membership held in Committee of Directors	Chairmanship held in Committee of Directors
Sri. P.V. Chandran	Chairman and Managing Director (Promoter & Executive)	Nil	Nil	Nil
Sri. K.N. Sreedharan	Director (Independent - Non Executive)	1	1	1
Dr. K. Venkatachalam	Director (Independent - Non Executive)	1	1	1
Sri E.M. Nagasivam	Director (Independent - Non Executive)	Nil	Nil	Nil
Mrs. Bhavya Chandran	Director (Promoter Group-Non Executive)	Nil	Nil	Nil
Mrs.Vidya Jyothish Pillai	Director (Promoter Group-Non Executive)	Nil	Nil	Nil

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

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

Number of Board Meetings held during 2018-2019 : 4			
S.No.	Date of Board Meeting	S.No.	Date of Board Meeting
1	25.05.2018	2	11.08.2018
3	10.11.2018	4	12.02.2019

(C) Attendance Record of Directors:

S. No.	Name of the Director	Number of Meetings held	Number of Meetings attended	Whether attended last AGM held on 27 th September 2018
1	Sri. P.V. Chandran, Chairman and Managing Director	4	4	Yes
2	Sri. K.N. Sreedharan, Director	4	3	Yes
3	Dr. K. Venkatachalam, Director	4	4	Yes
4	Sri. E.M. Nagasivam	4	3	Yes
5	Mrs. Bhavya Chandran, Director	4	4	Yes
6	Mrs. Vidya Jyothish Pillai, Director	4	4	Yes

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(D) Disclosure of Directors inter- se Relationships

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

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

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

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3. Audit Committee :

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

The Composition of the Audit Committee consists of Four Directors, Sri. K.N. Sreedharan, Dr. K. Venkatachalam, Sri. E.M. Nagasivam and Mrs.Vidya Jyothish Pillai.

During the year, the Audit Committee held its meetings on 25.05.2018, 11.08.2018, 10.11.2018 and 12.02.2019.

Members' attendances at the meetings were as follows.

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

4. Nomination & Remuneration Committee

Brief description of Terms of reference:

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

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

During the year, the Nomination & Remuneration Committee held its meetings on 10.11.2018

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Members' attendances at the meetings were as follows

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

5. Performance Evaluation Criteria For Independent Directors:

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

6. Remuneration of Directors

(a) Non executive Directors

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

(b) Independent Directors

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

(c) Chairman and Managing Director

Name of the Director	Salary (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Sri. P.V. Chandran	24,00,000	0.00	1,00,000	25,00,000

7. Stakeholders Relationship Committee

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

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

Name of the Directors	Category	No. of Meetings attended during the year 2018 - 19
Dr. K. Venkatachalam	Independent Director	5
Mrs. Vidya Jyothish Pillai	Non-Executive Director-Promoter Group	5
Mrs. Bhavya Chandran	Non-Executive Director-Promoter Group	5

8. General Body Meetings:

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

Year	Location	Date	Time
2016	The Residency, 1076 Avinashi Road, Coimbatore - 641018	23.09.2016	12 Noon
2017	Vivanta by Taj-Surya, 105, Race Course Road, Coimbatore - 641018	27.09.2017	12 Noon
2018	The Residency, 1076 Avinashi Road, Coimbatore - 641018	27.09.2018	12 Noon

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

Year	Special Resolution for
2016	Nil
2017	Nil
2018	To accord consent of the Company for continuation of Directorship of Sri. K.N. Sreedharan who has attained the age of 75 years so as to comply with SEBI Guidelines.

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

9. Means of Communication :

Publications of Financial Results are generally made in dailies Business Line , Dinamani & Dinamalar and further are made available in the company's website www.acmills.in

10. General Information to Shareholders:

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

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

Stock Market Data :

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

Registrar & Share Transfer Agents	SKDC Consultants Ltd., Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.
Share Transfer System	Presently, the share transfers which are received in physical form are processed and the Share Certificates returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board of Directors of the Company have delegated powers of approving transfer of securities to the Company's Registrars and Transfer Agents subject to placing of summary statement of transfer/ transmission of securities etc. of the Company at meetings of the Stakeholders Relationship Committee. The Company has obtained and filed with the Stock Exchange(s) the half yearly certificates from a Company Secretary in practice for due compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015).

Pattern of Share Holding as on 31.03.2019

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

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

Distribution of Share Holding as on 31.03.2019

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

Dematerialisation of Shares	99.40% of the Company's paid-up Equity Share Capital has been dematerialized up to March 31, 2019. Trading in Equity shares of the Company is permitted only in dematerialized segment as per notification issued by the Securities & Exchange Board of India (SEBI).
Liquidity	The Shares are actively traded in Bombay Stock Exchange Limited (BSE) & National Stock Exchange of India Limited (NSE)
Outstanding GDR/ Warrants / Convertible Instruments	NIL
Foreign exchange risk and hedging activities	Foreign exchange risks are mitigated through forward exchange contracts besides natural hedge of exports against imports.
Plant Locations	The Company has four Units and its locations are given below: Unit-I-Natham Main Road, Kanniyapuram, Dindigul-624 308 Unit - II - Kanniyapuram - Ellaipatty Road, Kanniyapuram, Dindigul - 624 308 Unit - III - Kanniyapuram - Ellaipatty Road, Kanniyapuram, Dindigul - 624 308. (Adjacent to Unit - II). Unit - IV - Kanniyapuram - Ellaipatty Road, Kanniyapuram, Dindigul - 624 308 (Adjacent to Unit - III)

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Investor Correspondence/ Query Information :	
For Transfer Shares	SKDC Consultants Ltd., Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.
Any other matter	Regd. Office : 9-A, Valluvar Street, Sivanandha Colony, Coimbatore - 641 012

11. Other Disclosures

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

D. DECLARATION REGARDING COMPLIANCE BY BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL AFFIRMING COMPLAINE WITH COMPANY'S CODE OF CONDUCT.

This is to confirm that the Company has adopted a Code of Conduct for its Board and Staff of the Company and a declaration to the effect that the same have been complied with has been received from them in respect of the Financial Year Ended 31.03.2019.

By order of the Board

Sd/-

(P.V.CHANDRAN)

Chairman and Managing Director

Date : 10.08.2019

Place : Coimbatore

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

To the members of Ambika Cotton Mills Limited

We have examined the compliance of conditions of Corporate Governance by Ambika Cotton Mills Limited ("the Company") for the year ended March 31, 2019, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

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

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

Date : 10.08.2019

Place : Coimbatore