

AMBIKA COTTON MILLS LIMITED

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

PROCEEDINGS OF THE TWENTY FOURTH AGM OF THE COMPANY HELD ON 28TH SEPTEMBER 2012 AT HOTEL SREE ANNAPOORNA, COIMBATORE.

Directors Present

Sri. P.V. Chandran
Sri.K.N.Sreedharan
Dr.K.Venkatachalam
Sri. R.Soundararaja Perumal

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 have great pleasure in welcoming you all to the Twenty Fourth 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 2012. The total income stood at Rs.390.13 Crores as against previous year total income of Rs.327.24 Crores representing a growth of 19.22% as against the growth of 46.65% in the previous year. The gross profit amounted to Rs.58.95 Crores as compared to Rs.84.03 Crores of the previous fiscal. This represents decline of 19.22% as against the growth of 88.28 % in the previous year.

For AMBIKA COTTON MILLS LTD.,

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(P.V. CHANDRAN)
Chairman and Managing Director

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2. The direct export turnover in fiscal 2012 amounted to Rs.229.16 Crores as against Rs. 178.16 Crores of fiscal 2011, showing a growth of 28.63%. The export turnover constituted 60.97% of the net sales as against 55.94% of the previous fiscal which represents growth of 5.03 % as against decline of 2.42% in the previous year.

3. In the first quarter ended 30th June 2012 of the current year, the company had made a total sales turnover of Rs.86.87 Crores comprising of an export turnover of Rs.49.35 Crores. The net profit for the period stood at Rs.5.30 Crores and Cash Profit at Rs.12.06 Crores. The Company up to 26th September 2012 had made a turnover of Rs.182.40 Crores of which Exports amounted to Rs. 113.61 Crores.

4. I hope that the members would agree that despite the economic constraints such as volatility in foreign currency, hike in interest cost, instability in cotton prices and uninterrupted unavailability of power the financial results of the company is better placed as compared to the peers. While most of the spinning units are approaching banks for Corporate Debt Re-Structuring (CDR Scheme), your company had pre-paid the term Loans in addition to the scheduled repayments which exhibits the financial strength of the Company and I assure you that the company would continue to perform well in spite of adverse economic environment which is constantly affecting the performance of the industry.

For AMBIKA COTTON MILLS LTD.,

(P.V. CHANDRAN)
Chairman and Managing Director

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With these few words, now I proceed to the Agenda of the Meeting.

With the permission of the members present

The notice convening the meeting was taken as read.

The Directors Report was taken as read.

The Auditors Report was taken as read.

The meeting passed the following Resolutions

1. Adoption of Accounts, Directors and Auditors Report

PROPOSED BY : A. Palanichamy

SECONDED BY : U.Dharmalingam

RESOLVED THAT the Audited Balance Sheet of the Company as at 31st March 2012 and Profit and Loss Account for the year ended on that date and reports of the Directors and Auditors thereon, received and considered be and are hereby adopted.

The Resolution was passed unanimously.

2. Declaration of Dividend

PROPOSED BY SRI. : Atul Asher

SECONDED BY SRI. : R.Anguswamy

"RESOLVED that Dividend at the rate of 30% (Rs.3.00 per share) be and the same is hereby declared and the same be paid to those members whose names appear in the Register of Members as on 28th September 2012 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 18th September 2012.

The Resolution was passed unanimously.

For AMBIKA COTTON MILLS LTD.,

(P.V. CHANDRAN)
Chairman and Managing Director

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3. Re-appointment of Sri. K.N.Sreedharan as a Director of the Company.

PROPOSED BY : Vijay D. Lodaya

SECONDED BY : D. Dhasaratharaja

RESOLVED THAT Sri. K.N.Sreedharan, a Director retiring by rotation be and he is hereby re-appointed as a Director of the Company in the same place vacated by him.

The Resolution was passed unanimously.

4. Re-appointment of Dr. K.Venkatachalam as a Director of the Company.

PROPOSED BY : Ramakant Padia

SECONDED BY : S.Veluswamy

RESOLVED THAT Dr. K.Venkatachalam, a Director retiring by rotation be and he is hereby re-appointed as a Director of the Company in the same place vacated by him.

The Resolution was passed unanimously.

5. Appointment of Auditors

PROPOSED BY : Ketan C Lalka

SECONDED BY : J.Shamsudeen

RESOLVED THAT the retiring Auditors M/s. L. Venkatasubbu & Co., Chartered Accountants, Coimbatore be and are hereby re-appointed to hold the office of the Auditors until the conclusion of the next AGM and their remuneration be fixed by the Board in consultation with them.

The Resolution was passed unanimously.

For AMBKA COTTON MILLS LTD.,

(P.V. CHANDRAN)
Chairman and Managing Director

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6.Reappointment of Sri.P.V.Chandran, as Chairman and Managing Director of the company

PROPOSED BY : Bhupendra Desai

SECONDED BY : P.L.Eagappan

Resolved that Sri.P.V.Chandran be and is hereby reappointed as the Chairman and Managing Director of the company for a further period of 5 years with effect from 01.04.2012 to 31.03.2017.

Further Resolved that pursuant to Section 309 (3) and all other applicable provisions read with Schedule XIII of the Companies Act, 1956 and subject to such approvals as may be necessary, consent be and is hereby accorded to the payment of remuneration to Sri.P.V.Chandran, Chairman and Managing Director of the Company of Rs.2,00,000/- per month plus commission at the rate of 2% of the net profit of the company subject to maximum of Rs.75.00 Lakh per annum.

Further Resolved that Sri.P.V.Chandran be entitled to sitting fees for the meetings of the Board of Directors or the Committee thereof attended by him and he will not be entitled to any perquisites.

Sri P.V. Chandran, being interested in the Resolution did not participate either in the discussion or voting of the Resolution.

The Resolution was passed unanimously.

7. Appointment of Mrs. Vidya Jyothish as a Director of the Company.

PROPOSED BY : C.Sanathanan Pillai

SECONDED BY : T.Sahadevan

RESOLVED THAT Mrs. Vidya Jyothish, be and she is hereby appointed as a Director of the Company.

Sri P.V. Chandran, being interested in the Resolution did not participate either in the discussion or voting of the Resolution.

The Resolution was passed unanimously.

The Meeting terminated with a Vote of Thanks to the Chair

Place: Coimbatore

Date: 28.09.2012

For AMBIKA COTTON MILLS LTD.,


(P.V. CHANDRAN)
Chairman and Managing Director