



Ambika Cotton Mills Limited

CERTIFIED COPY OF THE EXTRACT FROM THE MINUTES OF A MEETING OF THE BOARD OF DIRECTORS HELD ON 11TH NOVEMBER 2016 AT 12.00 NOON AT REGISTERED OFFICE OF THE COMPANY 9A, VALLUVAR STREET, SIVANANDHA COLONY, COIMBATORE - 641 012.

BUYBACK OF EQUITY SHARES

Sri P.V.Chandran, Chairman and Managing Director informed the Board that it would be desirable to buyback a part of equity of the Company and such a measure of buyback would help the Company to achieve the following objectives:

- (a) Optimize returns to shareholders; and
- (b) Enhance overall shareholders value.

The proposed objectives will be achieved by returning surplus cash back to shareholders through the buyback process. This may lead to reduction in the outstanding equity shares, improvement in 'earnings per share' ("EPS") and enhanced return on invested capital. The buyback of equity shares by the Company will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.

This matter of buyback was considered and it was resolved as follows:

"RESOLVED THAT pursuant to the provisions of article 48A of the articles of association of the Company and in accordance with the provisions of Sections 68, 69, 70, and all other applicable provisions of the Companies Act, 2013, as amended ("Act"), read with the Companies (Share Capital and Debentures) Rules, 2014, and the provisions of the Securities and Exchange Board of India (Buy-back of Securities) Regulations 1998, as amended ("Buyback Regulations") (including any statutory modification(s) or re-enactment of the Act or Rules framed thereunder from time to time) as also such other approvals, permissions and sanctions of Securities and Exchange Board of India ("SEBI") and/or other authorities, institutions or bodies ("Appropriate Authorities"), as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the board of directors of the Company ("Board", which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), the consent of the Board

For: AMBIKA COTTON MILLS LTD.,

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

be and is hereby accorded for the buy-back by the Company of 1,50,000 (One Lakh Fifty Thousand) fully paid-up equity shares of face value Rs. 10 each ("Equity Shares"), from all shareholders of the Company (except promoters, promoter group, persons in control and persons acting in concert) at a price

not exceeding Rs.1,100 (Rupees One Thousand One Hundred only) per Equity Share ("Maximum Buyback Price") excluding transaction costs, such as brokerage, transactional charges and taxes, if any, ("Transaction Cost", and such aggregate amount, Rs.16,50,00,000 (Rupees Sixteen Crores Fifty Lakhs only) ("Maximum Buyback Size")), representing 4.92% of the aggregate of the total paid-up equity capital and free reserves of the Company based on the audited financial statements of the Company as on March 31, 2016 ("Buyback").

RESOLVED FURTHER THAT, the Company proposes to buyback 75,000 Equity Shares for a minimum of Rs.8,25,00,000 (Rupees Eight Crores Twenty Five Lakhs only), being 50% of the Maximum Buyback Size ("Minimum Buyback Size") and the Buyback shall not exceed 10% of the aggregate of the total paid-up equity capital and free reserves of the Company based on the audited financial statements of the Company as on March 31, 2016 which is within the maximum amount allowed under the Act.

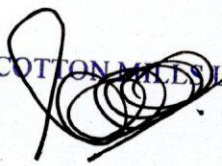
RESOLVED FURTHER THAT the Company shall implement the Buyback from current surplus and/or cash balances and/or internal accruals and that the Buyback shall be from the open market through the BSE Limited and the National Stock Exchange of India Limited ("Stock Exchanges") in such manner as may be prescribed under the Act and the Buyback Regulations and on such terms and conditions as the Board may deem fit.

RESOLVED FURTHER THAT Sri. Radheyshyam Padia be and is hereby appointed as the Compliance Officer for the Buyback.

RESOLVED FURTHER THAT IDBI Capital Markets & Securities Limited be and is hereby appointed as the Company's broker and the merchant banker for the Buyback.

RESOLVED FURTHER THAT M/s. S.K.D.C. Consultants Limited, the Company's Registrar and Share Transfer Agent, be and is hereby appointed as the investor service centre for the purposes of the Buyback.

For AMBIKA COTTON MILLS LTD.,



Director

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RESOLVED THAT an escrow account be opened with IDBI Bank Limited at its Specialized Corporate Branch, Coimbatore under the name "ACML – Buyback Escrow Account" for the purpose of the Buyback, in accordance with the Buyback Regulations.

"RESOLVED FURTHER THAT Sri. P. V. Chandran, Chairman & Managing Director is hereby authorized to represent, sign and deliver on behalf of the Company, escrow agreements and all such documents as may be required including such applications, undertakings, agreements and deeds as may be deemed necessary to open the escrow account in accordance with the Buyback Regulations.

RESOLVED FURTHER THAT the Buyback period shall in any case close within six (6) months from the date of opening of the Buyback or such other period as may be permitted under the Act or Buyback Regulations.

RESOLVED FURTHER THAT confirmation is hereby made by the Board that:

- all Equity Shares of the Company are fully paid up;
- the Company shall not purchase Equity Shares under the Buyback from its promoters, promoter group, persons in control and persons acting in concert;
- that the Company shall not raise further capital for a period of one (1) year from the closure of Buyback, except in discharge of its subsisting obligations
- that the Company shall not Buyback Equity Shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement
- there are no defaults (either in the past or subsisting) in repayment of deposits, interest payment thereon, redemption of debentures or preference shares, payment of dividend to any shareholder, or repayment of term loans or interest payable thereon to any financial institutions or banks;
- the aggregate amount of the Buyback, i.e. Rs.16,50,00,000(Rupees Sixteen Crores Fifty Lakhs only) shall not exceed 10% of the total paid-up capital and free reserves as per the audited balance sheet as on March 31, 2016;

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Director

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- the debt equity ratio of the Company after the Buyback shall be within the limit of 2:1 as prescribed under the Act;
- the Company shall not make any offer of buyback within a period of one(1)year reckoned from the date of closure of the Buyback;
- the Company shall not directly or indirectly purchase the Equity Shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies;
- the Company will not withdraw the Buyback offer after the public announcement of the Buyback is made and published in the newspapers;
- the Company will not Buyback Equity Shares which are locked-in or non-transferable, until the pendency of such lock-in or until the Equity Shares become transferable, as applicable;
- the maximum number of Equity Shares that can be bought back will be in accordance with Regulation 38 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015;
- the Buyback shall not result in delisting of the Equity Shares from the Stock Exchanges;
- consideration for the Equity Shares bought back by the Company shall be paid only by way of cash;
- the Company shall submit the information regarding the Equity Shares bought back, to the Stock Exchanges on a daily basis in accordance with the Buyback Regulations. The Company shall also upload the information regarding the Equity Shares bought back on its website on a daily basis; and
- the Buyback will be implemented by the Company by way of open market purchases through the Stock Exchanges, through the order matching mechanism except "all or none" order matching system, in accordance with the Buyback Regulations.

RESOLVED FURTHER THAT the Board hereby confirms that it has made full inquiry into the affairs and prospects of the Company, and has formed the following opinion:

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Director

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- that immediately following the date of this meeting, there are no grounds on which the Company could be found unable to pay its debts;
- as regards the Company's prospects for the year immediately following the date of this meeting, and having regard to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board meeting; and
- in forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities).

RESOLVED FURTHER THAT the Buyback from shareholders who are persons resident outside India, including the foreign institutional investors, erstwhile overseas corporate bodies and non-resident Indians, shall be subject to such approvals as required, including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder.

RESOLVED FURTHER THAT as required under the Buyback Regulations, the Declaration of Solvency as placed on the table be and is hereby approved and that any of two Directors authorized herein namely, Sri P.V.Chandran, Dr. K.Venkatachalam, Mrs. VidyaJyothish Pillai, Mrs.Bhavya Chandran be and are hereby, jointly, authorized to sign the same on behalf of the Board.

RESOLVED FURTHER THAT the Board hereby takes on record the Report issued by M/s.L.Venkatasubbu & Co., Chartered Accountants, Coimbatore, as required under the Buy-Back Regulations.

RESOLVED FURTHER THAT the Company shall maintain a register of securities bought back wherein details of Equity Shares bought back,

For AMBIKA COTTON MILLS LTD.,



Director

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consideration paid for the Equity Shares bought back, date of cancellation of Equity Shares and date of extinguishing and physically destroying the Equity Shares and such other particulars as may be prescribed in relation to the Buyback shall be entered and that Sri. P.V.Chandran, Chairman and Managing Director of the Company be and is hereby authorized to authenticate the entries made in the said register.

RESOLVED FURTHER THAT the Sri P.V.Chandran, Chairman and Managing Director, Mrs.VidyaJyothish Pillai, Director, and Mrs.Bhavya Chandran, Director, be and are hereby severally authorized to send the necessary intimations to the Stock Exchanges in relation to this resolution, as may be required under applicable laws.

RESOLVED FURTHER THAT the powers of the Board in respect of the Buyback be and are hereby delegated to Sri P.V.Chandran, Chairman and Managing Director of the Company. Sri P.V.Chandran, Chairman and Managing Director of the Company, is hereby authorized to do all such acts, deeds, matters and things as he may in his absolute discretion deem necessary, expedient, usual or proper, in relation to the Buyback, including but not limited to:

- finalizing the terms of Buyback, like the aggregate amount to be utilized for the Buyback, including the price and the number of Equity Shares to be bought back within the statutory limits, the dates of opening and closing of the Buyback offer, the mechanism for the Buyback, the timeframe for completion of the Buyback;
- opening, operating and closing of all necessary accounts for this purpose, including bank accounts, depository accounts, escrow accounts, and authorizing persons to operate the such accounts;
- appointing and finalizing the terms of managers, brokers, escrow agents, registrars, solicitors, depository participants, scrutinizer, legal advisors, compliance officer, advertising agency, investor service center and such other intermediaries/ agencies for the implementation of the Buyback;
- preparing, executing and filing of various documents as may be necessary or desirable in connection with or incidental to the Buyback including public announcement, extinguishment of Equity Shares and certificate of extinguishment required to be filed in connection with the Buyback on behalf of the Board;

For AMBIKA COTTON MILLS LTD.,



Director

- settling all such questions, difficulties or doubts that may arise in relation to the implementation of the Buyback;
- doing all such acts, deeds, matters and things as he may in his absolute discretion, deem necessary, expedient, usual or proper;
- creating and maintaining requisite statutory registers and records and furnishing requisite returns to appropriate authorities;
- carrying out incidental documentation and to prepare applications and submit them to the Appropriate Authorities for their requisite approvals; and
- delegating all or any of the authorities conferred as above to any directors/officer(s)/authorized representative(s) of the Company to give effect to the aforesaid resolution or to accept any change(s) or modification(s) as may be suggested by the appropriate authorities or advisors.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on any shareholder of the Company to offer, or confer any obligation on the Company or the Board or any person authorized by the Board to buyback any shares, or impair any power of the Company or the Board or any person authorized by the Board to terminate any process in relation to such Buyback, if permitted by law.

RESOLVED FURTHER THAT the approval of the Board be and is hereby given to affix the Common Seal of the Company in the presence of Sri. P. V.Chandran, Chairman & Managing Director and any of the Directors namely Ms.Vidya jyothish Pillai or Ms.Bhavya Chandran, Director and Sri. R.Anguswamy, as authorized signatories of the Company on any relevant document required to be executed for the Buyback."

For Ambika Cotton Mills Limited



Dr.K.Venkatachalam
Director