AMBIKA COTTON MILLS LIMITED

Registered Office : No .9 A , Valluvar street, Sivanandha Colony, Coimbatore - 641 012.
CIN No.L17115TZ1988PLC002269
website – www.acmills.in, Email –id – ambika@acmills.in

NOTICE OF THE MEETING

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Company will be held on Wednesday, the 24th September 2014 at 12.00 Noon at The Residency, 1076, Avinashi Road, Coimbatore – 641018.

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2014 and the report of the Directors and Auditors thereon.

2. To declare a Dividend.

3. To appoint a Director in place of Mrs. Vidya Jyothish Pillai who retires by rotation and being eligible offers herself for re-appointment.

4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix the remuneration.

B. SPECIAL BUSINESS

5. To Consider and if though fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

   "Resolved that pursuant to Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, Sri K.N.Sreedharan (DIN : 00321585), Director of the company , in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.

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NOTICE OF THE MEETING (Contd...)

6. To Consider and if though fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

   "Resolved that pursuant to Sections 149, 152 and any other applicable provisions , if any, of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, Sri K.Venkatachalam (DIN : 01062171), Director of the company, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.

7. To Consider and if though fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

   "Resolved that pursuant to Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder , read with Schedule IV to the Companies Act, 2013, R. Soundararaja Perumal (DIN : 02087219), Director of the company, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.

8. To Consider and if though fit, to pass with or without modification the following resolution as a Special Resolution.

   "Resolved that in supersession of all earlier resolutions passed by the Company in this regard and pursuant to section 180 (1)(c) and other applicable provisions , if any, of the Companies Act , 2013 and the Rules made thereunder consent of the Company be and is hereby accorded to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company , provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company 's Bankers in the Ordinary course of business, shall not at any time exceed Rs.400 Crores (Rupees Four Hundred Crores).

   Resolved Further that for the purpose of giving effect to this resolution , the Board of the Company be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

NOTICE OF THE MEETING (Contd...)

9. To Consider and if though fit, to pass with or without modification, the following resolution as a Special Resolution.

   "Resolved that in supersession of all earlier resolutions passed by the Company in this regard and pursuant to section 180 (1)(a) and other applicable provisions , if any, of the Companies Act , 2013 and the Rules made thereunder the consent of the Company be and is hereby accorded to the Board of Directors to create such charges, mortgages, and hypothecations in addition to the existing charges , mortgages, and hypothecations created by the company, on such immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks / Financial Institutions to secure borrowings of the Company availed / to be availed by way of rupee / foreign currency loans / borrowings provided that the total amount of such loans / borrowings shall not at any time exceed Rs. 400 crores. (Rupees Four Hundred Crores)."

10. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution

    Resolved that pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 , the existing Article 69 (h) of the Articles of Association of the Company be and is hereby amended / altered to read as follows

    "The Board may elect a Chairperson of its meeting and determine the period for which such Chairperson shall hold office. Such Chairperson shall occupy the position, notwithstanding that he /she is the Managing Director of the Company for the time being. The Board is empowered to fix the term of Office of such Chairperson and in the absence of term being fixed, the Chairperson so elected shall occupy the position as long as she/he is Director of the company. The Chairman so appointed shall preside over all the meetings of the Board and the General Meetings during the tenure of his /her office".

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

DATE : 09.08.2014
PLACE : Coimbatore

NOTICE OF THE MEETING (Contd...)

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding not more than 10 (ten) percent of the total share of the company carrying voting rights . A member holding more than 10 (ten) percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or share holder. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy is sent herewith. Proxies submitted on behalf of the company , societies, etc., must be supported by an appropriate resolution/authority, as applicable.

2. The Register of Members of the Company will remain closed from Wednesday 17th September 2014 to Wednesday 24th September 2014 (Both the days inclusive). The dividend if declared will be paid to those members whose name appears in the Register of Members as on Tuesday, 16thSeptember 2014 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 Tuesday 16thSeptember 2014.

3. Shareholders seeking any information with regard to the accounts are requested to write to the company at least seven days before the date of the meeting so as to enable the company to keep the information ready.

4. Pursuant to the provisions of Section 205A of the Companies Act, 1956 as amended, dividend for the Financial year 2006-2007 and thereafter which remain unpaid/unclaimed for a period of 7 (Seven) years will be transferred to the Investor Education and Protection Fund (the Fund) constituted by the Central Government under Section 205C of the Companies Act, 1956. Unpaid/Unclaimed Equity Dividend for the financial year 2006-2007 will fall due for transfer to the said Fund on 27th October 2014. As regards unclaimed dividend for the financial years up to 2005-2006 the same have already been transferred to the said Fund. It may kindly be noted that once the unpaid/unclaimed dividend is transferred to the above said Fund of the Central Government, no claim shall lie in respect thereof.

NOTICE OF THE MEETING (Contd...)

5. Members are requested to send all their documents and communications pertaining to shares to S.K.D.C. Consultants Limited , Share Transfer Agent of the Company at their address at Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore – 641 006. Phone : +91 422 6549995, 2539835-836 for both physical and demat segments of Equity Shares. Please quote on all such correspondence – "Unit -Ambika Cotton Mills Limited ."

6. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to S.K.D.C. Consultants Limited for their doing the needful.

7. Members are requested to notify change in address, if any, immediately to S.K.D.C. Consultants Limited quoting their folio numbers.

8. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.

9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address as soon as possible. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Shareholders/Depositories for depositing of dividends. NECS Form is attached to the Notice to the members for providing details, if not provided.

10. Electronic copy of the Annual Report will be sent to the members whose e-mail IDs are registered in the Company/Depository Participant(s) for communication purposes unless any member requests for a physical copy of the same.

11. Electronic copy of the Notice of General Meetings of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form will be sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member requests for a physical copy of the same.

12. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report 2013-14 will also be available on the Company's website www.acmills.in for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.

AMBIKA COTTON MILLS LIMITED

VOTING THROUGH ELECTRONIC MEANS

In Compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the companies (Management and Administration) Rules, 2014, the company is pleased to offer e- voting facility as an alternative mode of voting which will enable members to cast their votes electronically on the resolutions mentioned in the notice of 26th Annual General Meeting of the company.

The instructions for members for voting electronically are as under :-

(i) Log on to the e- voting website www.evotingindia.com

(ii) Click on " share holders " tab.

(iii) Now, select AMBIKA COTTON MILLS LIMITED " from the drop down menu and click on submit.

(iv) Now enter your User ID: For CDSL – 16 Digit Beneficiary ID, For NSDL – 8 Characters DP ID followed by 8 Digits Client ID, Members holding shares in physical form should enter Folio Number registered with the company and then enter Captcha Code as displayed and Click on Login.

(v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of the company , then your existing password is to be used. If you are a first time user follow the steps given below.

(vi) Now, fill up the following details in the appropriate boxes.

	For members Holding shares in Demat Form	For members Holding shares in Physical Form
PAN*	Enter your 10 Digit alpha – numeric *PAN issued by Income Tax Department (Applicable for both demat share holders as well as physical share holders	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter dividend bank detail as recorded in your demat account or in the company records for the said demat account or folio.	

* Members who have not updated their PAN with company / Depositary participant are requested to enter the 10 Digit Sequence number in the PAN field.

\# Please enter any one of the details in order to login. In case both the details are not recorded with the Depositary or Company please enter the 16 Digit Member id / Folio number in the Dividend Bank details Field.

(vii) After entering these details appropriately, click on "SUBMIT " tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

VOTING THROUGH ELECTRONIC MEANS (Contd…)

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant AMBIKA COTTON MILLS LIMITED on which you choose to vote.

(xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(xviii) The voting period begins on 17th September , 2014 (9:30 A.M.) and ends on 19th September , 2014 (5:30 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

VOTING THROUGH ELECTRONIC MEANS (Contd…)

II The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 14th August 2014.

III A copy of this notice has been placed on the website of the Company and the website of CDSL.

IV Mr.K.Murali Mohan, Practicing Chartered Accountant (Membership No. 014328) has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

V. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.

VI. The Results declared along with the Scrutinizer's Report shall be placed on the Company's Website www.acmills.in and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.

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

DATE : 09.08.2014
PLACE : Coimbatore

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant To Section 102 (1) of The Companies Act, 2013.

Item No .5

Sri. K.N. Sreedharan is a Director of the Company , who , though is a Director liable to retire by rotation , is not retiring at this Annual General Meeting . However in the light of the provisions of the Companies Act,2013, he is to be appointed as an Independent Director at this Meeting to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting .

One of the members of the Company has proposed the name of Sri. K.N.Sreedharan for appointment as an Independent Director and the member has also made the required deposit therefor.

In the opinion of the Board, Sri. K.N. Sreedharan fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company. He is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri.K.N.Sreedharan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri. K.N.Sreedharan as an Independent Director, for the approval by the shareholders of the Company.

Interest of Directors:

Except Sri.K.N.Sreedharan, being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

Item No . 6

Dr. K .Venkatachalam is a Director of the Company , who , though is a Director liable to retire by rotation , is not retiring at this Annual General Meeting . However in the light of the provisions of the Companies Act,2013 , he is to be appointed as an Independent Director at this Meeting to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting.

One of the members of the Company has proposed the name of Dr.K.Venkatachalam for appointment as an Independent Director and the member has also made the required deposit therefor.

In the opinion of the Board , Dr. K .Venkatachalam fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an independent Director of the Company. He is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr.K.Venkatachalam as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr.K.Venkatachalam as an independent Director, for the approval by the shareholders of the Company.

Interest of Directors:

Except Dr.K.Venkatachalam, being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

AMBIKA COTTON MILLS LIMITED

ANNEXURE TO THE NOTICE

Item No . 7

Sri.R.Soundararaja Perumal , in the ordinary course, is a Director retiring by rotation at this Annual General Meeting. However, since he is an independent Director, the provisions of the Companies Act, 2013 require that he be appointed as an Independent Director not liable to retire by rotation. In view of this position, the subject of his appointment is considered as a Special Business.

The Company has received a nomination under Sec.160 of the Companies Act, 2013 from a member of the Company with requisite deposit signifying his intention to propose the appointment of Sri.R.Soundararaja Perumal as an Independent Director. Sri.R.Soundararaja Perumal will hold office for a term of 5 consecutive years from the conclusion of this Annual General Meeting.

In the opinion of the Board, Sri.R.Soundararaja Perumal fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company. He is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri.R.Soundararaja Perumal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri.R.Soundararaja Perumal as an Independent Director, for the approval by the shareholders of the Company.

Interest of Directors:

Except Sri.R.Soundararaja Perumal, being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

Item No. 8 & 9

The members of the Company at their 18th Annual General Meeting held on 28/09/2006 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of 400 Crores (Rupees Four Hundred Crores).

Further the members of the Company at their 19th Annual General Meeting held on 28/09/2007 had given approval by way of an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 to create charge / security in respect of the borrowings made by the Company.

In terms of section 180 of the Companies Act ,2013 read with Ministry of Corporate Affairs' General Circular No.04/2014 dated 25.03.2014, consent of the Company is required by way of a special resolution to borrow funds in excess of the paid up capital and free reserves of the Company and to create security for the same. Accordingly, to enable the Company to continue to availing the said borrowing limits and creating of security on the same , Item Nos.8 & 9 have been put forward for your approval.

Approval of members is being sought to borrow money upto Rs.400 Crores (Rupees Four Hundred Crores Only) in excess of the aggregate of the paid up share capital and free reserves of the Company.
None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

Your Board recommends the Resolution at item nos.8 & 9 for your approval as Special resolution.

Item No. 10

In terms of Section 203 of the Companies Ac, 2013, an individual can be a Chairperson and Managing Director of the company at the same time only if specifically so authorised by the Articles of Association of the Company.
The Articles of Association of the Company in its present form does not contain such a clause.

It is therefore proposed to amend the Articles of Association of the company by introducing a suitable clause.

Your Board recommends the Resolution at item no. 10 for your approval as Special resolution.

None of the Directors / key managerial personnel of the Company / their relatives are, in any way, concerned or interested in the resolution.

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

DATE : 09.08.2014
PLACE : Coimbatore