



Ambika Cotton Mills Limited

22 /11/2016

Ref.No.ACM/ 1076/2016-17

BSE Limited

Department of Corporate Services

Listing Department

P. J. Towers, Dalal Street

Mumbai – 400 001

Scrip Code: 531978

National Stock Exchange of India Limited

Listing Department

Exchange Plaza, Plot no. C/1, G

Block, Bandra-Kurla Complex

Bandra (East), Mumbai – 400 051

Scrip Code: AMBIKCO

Dear Sir,

Buyback of equity shares by Ambika Cotton Mills Limited (“Company”)

This is further to our letter dated November 11, 2016, wherein we have informed you the approval of the Board of Directors (“**Board**”) of the Company for buyback of equity shares at a price not exceeding Rs.1,100/- (Rupees One Thousand One Hundred Only) per Equity Share of Rs.10/- (Rupees Ten only) each for an aggregate amount not exceeding Rs.16,50,00,000 (Rupees Sixteen Crores Fifty Lakhs only) by way of open market purchases through Stock Exchanges.

In this connection please note that today i.e. November 22, 2016, we have made public announcement of buyback in the Business Standard (English National Daily), Business Standard (Hindi National Daily) and Makkal Kural (Regional Language Daily) pursuant to SEBI (Buy Back of Securities) Regulations, 1998, as amended (“**Buyback Regulations**”) and filed the same with Securities & Exchange Board of India. The copy of the said public announcement is enclosed for your reference and dissemination on the Stock Exchanges.

Thanking You,
Yours faithfully

For **Ambika Cotton Mills Limited**

P. V. Chandran,
Chairman and Managing Director

Encl: as above

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

Mills : Kanniyapuram, Natham Main Road, Dindigul - 624308, Tamilnadu, India

tel : +91 451 2449905, +91 451 2449916 fax : +91 451 2449920

email : ambika@acmills.in, ambikamillsdgl@gmail.com CIN : L17115TZ1988PLC002269

(x) any other relevant documents such as power of attorney, corporate authorization (such as, board resolution / specimen signatures), notarized copy of death certificate, RBI approval (in case of non-resident shareholders) and succession certificate or probated will, if the original shareholder is deceased, as applicable, either by registered post or courier or hand delivery to the following address:

IDBI Capital Markets & Securities Limited
(formerly known as IDBI Capital Market Services Limited)
3rd Floor, Malafiala Centre
Nariman Point
Mumbai 400 021
Contact: Ms. Charushika Parkar
Tel.: +91 22 2285 1212
Fax: +91 22 2285 0785
E-mail: charushika.parkar@idbicapital.com

(vi) The following list of documents are admissible as Proof of Identity: (i) Unique Identification Number (UID) (Aadhaar) / Passport / Voter ID card / Driving license, (ii) PAN card with photograph, (iii) Identity card / document with applicant's photo, issued by any of the following: Central / State Government and its Department, Registrar of Companies, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards / Debit cards issued by Banks, (iv) Certificate of Incorporation, Memorandum & Articles of Association in case of companies, (v) Partnership Deed in case of Partnership firm and (vi) Trust Deed in case of Trusts; and

(vii) The following list of documents admissible as Proof of Address: (i) Passport / Voters Identity Card / Ration Card / Registered Lease or Sale Agreement of Residence / Driving License / Flat Maintenance / Utility bills (Electricity / Water / Telephone / Gas / Landline) / (ii) Aadhaar, (iii) Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old, (iii) Bank Account Statement / Passbook - Not more than 3 months old, (iv) Self-declaration by High Court and Supreme Court judges, giving the new address in respect of the residential premises, (v) Proof of address issued by any of the following: Central / State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Professional Note that documents having an expiry date shall be valid on the date of submission.

4.12 Shareholders are free to sell or hold their physical Equity Shares entirely at their discretion and that process is designed in accordance with Buyback Regulations only to assist those shareholders holding Equity Shares in the physical form, who are desirous of selling their Equity Shares and who would like to have a broker to enable them to do so and with adequate KYC requirements.

4.13 Shareholders holding physical shares should note that physical shares will not be accepted for Buyback unless a complete set of documents as mentioned in Paragraph 0 of Part B above is submitted to Company's Broker in accordance with Paragraph 0 of Part B above and subject to verification of the documents submitted by the shareholders as per the Buyback Regulations and any other acceptances issued by the SEBI or the Stock Exchanges in this regard. The Company will endeavour to complete the Buyback of the physical shares in the week equating to the week in which the physical shares are received by the broker. Please note that there could however be delay in completing the transaction due to unavoidable circumstances. In case of receipt of incomplete documentation from the shareholders holding physical shares, the price payable for the Buyback of such physical shares will be as per the Buyback Regulations. The Buyback of Part B above during the week in which the documentation in respect of the Buyback of such physical shares has been completed in all respects.

4.14 Shareholders are requested to get in touch with the Merchant Banker of the Buyback or the Company's Broker or the Registrar and Share Transfer Agent of the Company to clarify any doubts in the process.

4.15 Subject to the Company purchasing Equity Shares for an amount equivalent to the Minimum Buyback Size, nothing contained herein shall create any obligation on the part of the Company or the Board to Buyback any Equity Shares or confer any right on the part of any shareholder to have any Equity Shares bought back, even if the Maximum Buyback Size has not yet been reached. The Company reserves the right to terminate any process in relation to the Buyback, to the extent permissible by law. If the Company is not able to complete the Buyback equivalent to the Minimum Buyback Size, the amount held in the Escrow Account up to a maximum of 2.5% (Two point five per cent) of the Maximum Offer Size shall be forfeited and deposited in the Investor Protection and Education Fund of SEBI or as directed by SEBI in accordance with the Buyback Regulations.

4.16 The Company shall submit the information regarding the Equity Shares bought back by it, to the Stock Exchanges on a daily basis in accordance with the Buyback Regulations. The Company shall also submit information regarding the Equity Shares bought back by it on its website on a daily basis.

5. Method of Settlement

5.1 **Settlement of Demat Shares:** The Company will pay consideration for the Buyback to the Company's Broker on or before every pay-day for each settlement, as applicable to the respective Stock Exchanges where the transaction is executed. The Company has opened a depository account titled "Escrow Account" with Ambika Cotton Mills Limited, Buyback with IDBI Capital Markets & Securities Limited ("Buyback Demat Account"). Demat Shares bought back by the Company will be transferred into the Buyback Demat Account by the Company's Broker, on receipt of such Demat Shares and after completion of the clearing and settling of the Demat Shares. The Demat Shares of beneficial owners holding Demat Shares would be required to transfer the number of such Demat Shares sold to the Company pursuant to the Buyback, in favour of their stock broker through whom the trade was executed, by tendering the delivery instruction slip to their respective depository participating ("DP") for debiting their beneficial account maintained with the DP and crediting the same to the broker's pool account as per procedure applicable to normal secondary market transactions. The beneficial owners would also be required to provide to the Company's Broker, copies of all statutory consents and approvals required to be obtained by them for the transfer of their Equity Shares to the Company as referred to in Paragraph 4.13 of Part B.

5.2 **Settlement of Physical Shares:** Shareholders holding physical shares would be required to present the complete set of documents referred to in Paragraph 4.11 of Part B above to Company's Brokers within the time period prescribed under the Act.

5.3 **Extinguishment of Demat Shares:** The Demat Shares bought back by the Company shall be extinguished and destroyed in the manner specified in the Securities and Exchange Board of India (Depository and Participants) Regulations, 1996, as amended and its bye-laws, in the manner specified in the Buyback Regulations and the Act. The Equity Shares lying in credit in the Buyback Demat Account will be extinguished within fifteen (15) days of account statement of the Demat Shares. The Company undertakes to ensure that all Demat Shares bought back by the Company are extinguished within seven (7) days from the last date of completion of the Buyback.

5.4 **Extinguishment of Physical Shares:** Physical shares bought back by the Company during a month shall be extinguished and physically destroyed by the Company in the presence of IDBI Capital Markets & Securities Limited ("Merchant Banker") and the Statutory Auditor of the Company by the fifteenth (15th) day of the succeeding month provided that the Company undertakes to ensure that all physical shares bought back are extinguished within seven (7) days from the last date of completion of the Buyback, in compliance with the Buyback Regulations.

5.5 Consideration for the Equity Shares bought back by the Company shall be paid only by way of cash.

6. Brief Information about the Company

6.1 The Company was incorporated under the Companies Act, 1956, as a Private Limited Company on October 6, 1988 and converted into Public Limited Company on October 5, 1994 having CIN: L17329MH1994PLC000228. The Company is listed on the Stock Exchanges. The registered office of the Company is situated at 9-A, Valluvar Street, Sivanandha Colony, Coimbatore 641 012.

6.2 The Company is engaged in manufacturing and selling specialty cotton yarn catering to the needs of manufacturers of premium branded shirts and t-shirts. Exports constitute significant portion of its operations. The Company operates with total installed spindle capacity of 1,08,228 of compact facility housed in four units. The Company has installed 27.4 MW wind power capacity for captive consumption of spinning segment. The spinning plants are located at Kanniyapuram, Dindigul and windmills are located in Tirunelveli, Dharmapuram and Theni in the state of Tamil Nadu.

7. Brief financial information about the Company

7.1 Financial information on the basis of audited standalone financial statements of the Company for the last three financial years ended March 31, 2016, March 31, 2015 and March 31, 2014 and the unaudited standalone financial statements for the six months ended September 30, 2016 is provided hereunder:

Particulars	For the period ended		For the period ended	
	For the period ended Sep 30, 2016	For the period ended Mar 31, 2016	For the period ended Mar 31, 2015	For the period ended Mar 31, 2014
	Unaudited	Audited	Audited	Audited
Income				
Revenue from Operations				
Sale of Products	25,404.93	48,336.28	48,373.76	45,952.24
Other operating revenue	445.37	894.50	1,154.42	1,733.61
Total revenue	25,850.30	49,230.78	49,528.18	47,685.85
Expenses				
Cost of Materials consumed	16,331.08	30,598.42	29,416.32	28,591.79
Purchase of stock in trade				
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-122.49	-454.36	1,091.06	-837.86
Employee benefits expense	1,254.27	2,510.82	2,433.82	2,407.87
Other Expenditure	3,183.09	7,344.16	6,700.98	7,215.88
Depreciation and amortisation expense	1,445.84	2,991.96	2,933.33	3,162.38
Total expenses	22,931.79	42,991.00	42,575.51	40,540.06
Profit from operations before other income, finance costs and exceptional items	3,758.51	6,239.78	6,952.67	7,145.79
Other Income	28.95	177.46	55.02	22.47
Profit from ordinary activities before finance costs and exceptional items	3,787.46	6,417.24	7,007.69	7,168.26
Finance Costs	249.28	521.53	631.24	1,202.62
Profit from ordinary activities after finance costs but before exceptional items	3,538.18	5,895.71	6,376.45	5,965.64

Exceptional Items	-	-	-	-
Profit from ordinary activities before tax	3,538.18	5,895.71	6,376.45	5,965.64
Tax expense	808.43	1,450.19	1,258.90	1,151.84
Net Profit from ordinary activities after tax	2,729.75	4,445.52	5,117.55	4,813.80
Extraordinary items	-	-	-	-
Net Profit for the period	2,729.75	4,445.52	5,117.55	4,813.80
Paid up equity share capital (Face Value of ₹10 per Share)	587.50	587.50	587.50	587.50
Reserves excluding Revaluation Reserve less as per the year end of previous accounting year	35,648.80	32,917.07	29,533.41	25,405.81
Earnings per share				
- Basic	46.46	75.67	87.11	81.94
- Diluted	46.46	75.67	87.11	81.94
Key Ratios Basic:				
Book Value per share	-	570.29	512.70	442.44
Debt - Equity Ratio	-	0.00	0.06	0.24
Return on average net worth	-	13.97%	18.24%	20.04%

Notes:

(i) Profit / (Loss) for the period / year is considered for computation of key ratios

(ii) For six months ended September 30, 2016, return on average net worth is annualized

(iii) Basic Earnings Per Share = Profit / (Loss) for the period / Weighted average no. of Equity Shares

(iv) Diluted Earnings per share = Profit / (Loss) for the period / Weighted average no. of shares, assuming issuance of all the shares kept in abeyance

(v) Book Value per share = Net Worth (without rounding off) / No. of Equity Shares at the year-end (without rounding off)

(vi) Debt to Equity Ratio = Debt / (Equity share capital + Reserves)

(vii) Return on average net worth = Profit / (Loss) for the period / Average of the opening and closing net worth of the year

(viii) Figures have been rounded off, as necessary. Any discrepancies between the figures listed above and the ones in annual reports are due to rounding off.

8. Details of Escrow Account

8.1 In accordance with Regulation 15B of the Buyback Regulations, the Company has created an escrow arrangement towards security for performance of its obligations under the Buyback Regulations in the form of Cash Escrow (as defined below) and bank guarantee.

8.2 The Company has opened an escrow account no. 039110200000134 titled "ACAL - Buyback Escrow Account" ("Escrow Account") with IDBI Bank Limited at its Specialized Corporate Branch, Coimbatore ("Escrow Bank") and deposited therein cash aggregating to ₹41,25,000 (Rupees Forty One Lakhs Twenty Five Thousand only), being 2.5% of the Maximum Offer Size approved in the Board Resolution ("Cash Escrow"). The interest of Escrow Account will not be part of the escrow arrangement. The Company has authorized IDBI Capital Markets & Securities Limited ("Merchant Banker") to operate the Escrow Account in compliance with the Buyback Regulations.

8.3 In addition, the Escrow Bank has issued a bank guarantee dated November 18, 2016 in favour of the Merchant Banker for an amount of ₹2,71,25,000 (Rupees Three Crore Seventy One Lakhs Twenty Five Thousand only), being 22.5% of the Maximum Offer Size approved in the Board Resolution. The Company's escrow arrangement consisting of Cash Escrow of ₹41,25,000 (Rupees Forty One Lakhs Twenty Five Thousand only) and bank guarantee of ₹2,71,25,000 (Rupees Three Crore Seventy One Lakhs Twenty Five Thousand only), aggregating to ₹4,12,50,000 (Rupees Four Crores Twelve Lakhs Twenty Five Thousand only), which is 25% of the Maximum Offer Size is in compliance with Buyback Regulations.

8.4 In terms of Regulation 15B(7) of Buyback Regulations, upon completion of the Buyback equivalent to the Minimum Offer Size, the Cash Escrow in the Escrow Account and the Bank Guarantee shall be released to the Company.

8.5 Subject to the provisions of Regulation 15B(8) of the SEBI Buyback Regulations, if the Company is not able to complete the Buyback to the equivalent of the Minimum Offer Size, the amount up to a maximum of ₹41,25,000 (Rupees Forty One Lakhs Twenty Five Thousand only) held in the Escrow Account shall be liable to be forfeited and deposited in the Investor Protection and Education Fund of SEBI.

9. Listing Details and Stock Market Data

9.1 The Equity Shares are listed on the Stock Exchanges.

9.2 The High, low and average market prices of the Equity Shares for the preceding three years and the monthly high, low and average market prices of the Equity Shares for the six months preceding the date of this Public Announcement and their corresponding volumes on the BSE and the NSE are as follows:

BSE:

Two months period ended	High (INR)	Date of High	No. of equity shares traded on that date	Low (INR)	Date of Low	No. of equity shares traded on that date	Average price INR*	Total volume traded in the period	Total turnover of the business transacted in the period (INR)
March 31, 2014	307.00	February 6, 2014	1,428,000	190.00	August 13, 2013	17,051	242.90	310,841	75,503,568
March 31, 2015	807.00	March 30, 2015	12,679,000	278.85	April 15, 2014	1,443	518.70	1,94,891	775,396,942
March 31, 2016	1,118.75	August 7, 2015	16,245,000	101.00	September 7, 2015	1,996	921.52	1,077,987,666	967,665,005

During the last six months preceding the date of this Public Announcement

Last six months	High (INR)	Date of High	No. of equity shares traded on that date	Low (INR)	Date of Low	No. of equity shares traded on that date	Average price INR*	Total volume traded in the period	Total turnover of the business transacted in the period (INR)
May 2016	866.50	May 18, 2016	255,000	810.10	May 31, 2016	1,028	841.29	21,470	18,062,572
June 2016	827.90	June 21, 2016	1,166,000	803.20	June 17, 2016	570	816.88	17,164	14,000,615
July 2016	846.25	July 25, 2016	2,638,000	794.65	July 13, 2016	2,808	818.04	24,538	20,073,007
August 2016	837.10	August 16, 2016	1,111,000	809.40	August 12, 2016	1,426	823.18	21,401	17,616,803
September 2016	824.30	September 1, 2016	1,339,000	792.15	September 29, 2016	3,605	808.70	24,666	19,947,486
October 2016	1,082.00	October 30, 2016	2,484,000	818.15	October 3, 2016	812	985.01	86,512	85,215,428

*Average price is the arithmetic mean of the various weighted average prices for all trading days during the given period source: www.bseindia.com

NSE:

Two months period ended	High (INR)	Date of High	No. of equity shares traded on that date	Low (INR)	Date of Low	No. of equity shares traded on that date	Average price INR*	Total volume traded in the period	Total turnover of the business transacted in the period (INR)
March 31, 2014	306.50	February 6, 2014	1,727	183.10	August 12, 2013	104	265.27	475,855	126,498,000
March 31, 2015	807.00	March 30, 2015	26,379	279.95	April 15, 2014	4,641	547.07	2,817,066	1,541,145,000
March 31, 2016	1,119.00	August 7, 2015	110,236	720.40	September 10, 2015	7,525	922.81	3,801,616	3,223,618,000

During the last six months preceding the date of this Public Announcement

Last six months	High (INR)	Date of High	No. of equity shares traded on that date	Low (INR)	Date of Low	No. of equity shares traded on that date	Average price INR*	Total volume traded in the period	Total turnover of the business transacted in the period (INR)
May 2016	864.20	May 18, 2016	3,013	808.55	May 31, 2016	7,619	839.51	95,392	80,083,000
June 2016	829.45	June 21, 2016	14,680	805.55	June 24, 2016	9,156	817.57	106,884	87,222,000
July 2016	842.05	July 25, 2016	15,672	798.10	July 13, 2016	12,524	819.65	114,486	93,838,000
August 2016	839.40	August 2, 2016	5,435	811.90	August 24, 2016	2,869	824.03	103,807	85,440,000
September 2016	820.35	September 2, 2016	2,924	793.30	September 29, 2016	14,697	810.19	113,457	91,922,000
October 2016	1,082.65	October 30, 2016	7,571	822.65	October 3, 2016	5,940	971.23	333,397	323,804,000

*Average price is the arithmetic mean of the various weighted average prices for all trading days during the given period source: www.nseindia.com

9.3 There has been no change in the equity share capital of the Company including by way of bonus issue, rights issue or consolidation of equity shares during the period for which data has been disclosed in the table above.

9.4 The market price immediately after the date of the resolution of the Board of Directors approving the Buyback:

Date	Description	NSE		BSE	
		High	Low	High	Low
November 7, 2016	Day prior to Notice of Board meeting to consider Buyback proposal was given to NSE and BSE	1,029.10	1,000.00	1,029.00	1,000.00
November 8, 2016	Day on which Notice of Board meeting to consider Buyback proposal was given to NSE and BSE	1,059.00	1,020.05	1,055.30	1,020.00
November 11, 2016	Board Meeting Date*	1,059.95	1,000	1,060.00	1,000.00

November 15, 2016	First Trading Day post Board Meeting Date	1,007.00	994.95	1,024.85	1,000.00
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(Source: www.bseindia.com and www.nseindia.com)
*The Board, at its meeting held on November 11, 2016, approved the proposal for the Buyback at a price not exceeding ₹1,100 (Rupees One Thousand One Hundred only) per Equity Share.

10. Present capital structure and shareholding pattern

10.1 The capital structure of the Company, as on the date of the Public Announcement and the proposed capital structure of the Company post completion of the Buyback will be, as follows:-

	As on date of the public announcement	Post completion of the Buyback*
Authorised:		
1,00,00,00,000 equity shares of ₹10 each	10,00,00,000	10,00,00,000
Issued:		
58,75,00,000 equity shares of ₹10 each fully paid up	5,87,50,000	5,72,50,000
Subscribed and fully paid up:		
58,75,00,000 equity shares of ₹10 each fully paid up	5,87,50,000	5,72,50,000

*Assuming the Company buys back the Maximum Buyback Shares. The capital structure post completion of the Buyback may differ depending on the actual number of equity shares bought back under the Buyback.

10.2 As on the date of this Public Announcement, there are no party paid up Equity Shares, no call-in-arrears and no outstanding instruments convertible into Equity Shares.

10.3 Shareholding pattern of the Company, as on September 30, 2016, and post the Buyback, is as shown below:

Shareholders	Pre Buyback		Post Buyback*	
	No. of Equity Shares	% of Shares	No. of Equity Shares	% of Shares
Promoters	28,57,100	48.63	28,57,100	49.91
Public Shareholding	30,17,900	51.37	26,72,900	50.09
Banks, Financial Institutions, Mutual Funds	2,787	0.05	-	-
Individuals	16,63,529	28.32	-	-
Indian Public & Corporates	9,24,471	15.74	-	-
Foreign Institutional Investors	2,34,496	3.99	-	-
NRIs	96,601	1.64	-	-
Others	96,016	1.63	-	-
Total	58,75,000	100.00	57,25,000	100.00

*Assuming that as a part of the Buyback, Maximum Buyback Shares are bought back. The shareholding, post completion of the Buyback, may differ depending upon the actual number of Equity Shares bought back in the Buyback.

11. Shareholding of the Promoters

11.1 Details of aggregate shareholding in the Company of the Promoters and the Directors of the