



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

AMBIKA COTTON MILLS LIMITED

Registered Office: No. 9A, Valluvar Street, Sivanandha Colony, Coimbatore - 641 012, Tamil Nadu, India

CIN: L17115TZ1988PLC002269; Tel.: +91 42 2249 1504; Fax: +91 42 2249 9623

Website: www.acmills.in; E-mail: ambika@acmills.in

PUBLIC ANNOUNCEMENT

FOR THE ATTENTION OF THE SHAREHOLDERS / BENEFICIAL OWNERS OF THE EQUITY SHARES OF AMBIKA COTTON MILLS LIMITED

The Public Announcement ("Public Announcement") is made in relation to the Buyback of equity shares (as defined below) by Ambika Cotton Mills Limited ("Company") from the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and together with the BSE, the "Stock Exchanges", pursuant to the provisions of Regulation 15(c) and 15(d) of and in compliance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (including any statutory modification or amendments for the time being in force) ("Buyback Regulations"). This Public Announcement contains disclosures as specified in Schedule II of the Buyback Regulations.

BUYBACK OF EQUITY SHARES FROM THE OPEN MARKET THROUGH THE STOCK EXCHANGES

Part A - Disclosures in accordance with Part A of Schedule II of the Buyback Regulations

1. Details of the Buyback & Buyback Price

- The Board of Directors of the Company ("Board") approved the proposal for the Buyback (as defined below) of the Company of its fully paid up equity shares with a face value of ₹10 each (Rupees Ten each) ("Equity Shares") at its meeting held on November 11, 2016 ("Board Approval").
- The Board in the aforementioned meeting, in accordance with Article 48A of the Articles of Association of the Company and pursuant to the provisions of Sections 68, 69, 70 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and rules made thereunder and in compliance with the Buyback Regulations and subject to such other approvals, permissions and sanctions, as may be necessary, and subject to such conditions and modifications, if any, as may be prescribed or imposed by such regulatory authorities, while granting such approvals, permissions and sanctions, approved the Buyback of the Company of its fully paid up Equity Shares for an aggregate amount not exceeding ₹16,50,00,000 (Rupees Sixteen Crores Fifty Lakhs only), excluding transaction costs ("Transaction Costs") viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty ("Maximum Buyback Size"), being 4.92% of the total paid up share capital and free reserves of the Company based on the audited financial statements of the Company as at March 31, 2016 (being the date of the last audited financial statements of the Company), for a price not exceeding ₹1100 (Rupees One Thousand One Hundred only) per Equity Share ("Maximum Buyback Price") from the open market through the Stock Exchanges, through the order matching mechanism except "all or none" order matching system, as provided under the Buyback Regulations. Further, as required under the Act and Buyback Regulations, the Company has not purchased any Equity Shares which are partly paid up, Equity Shares with call-in-arrears, locked-in Equity Shares or non-transferable Equity Shares, in the Buyback, until they become fully paid up, or until the pendency of the lock-in, or until the Equity Shares become transferable, as applicable.
- A copy of this Public Announcement is expected to be available on the website of the Securities and Exchange Board of India ("SEBI") (www.sebi.gov.in) during the period of the Buyback.

2. Necessity for the Buyback and details thereof

- In continuation of the Company's efforts to effectively utilize its surplus cash, it is proposed to Buyback its Equity Shares for an aggregate amount not exceeding the Maximum Buyback Size being 4.92% of the paid up share capital and free reserves based on the audited financial statements of the Company as at March 31, 2016 through the Stock Exchange route. The Company has a strong cash flow position and the Buyback proposal aims to effectively utilize the surplus cash available. The Buyback of Equity Shares will result in a reduction in number of shares accompanied by a likely increase in earnings per share ("EPS") and return on capital employed. The Company believes that the Buyback will create long term value for continuing shareholders. The Buyback is not likely to cause any material impact on the earnings of the Company, except for the cost of financing the Buyback, being a reduction in treasury income that the Company could have otherwise earned on the funds deployed for the Buyback.
- At the Maximum Buyback Price and for Maximum Buyback Size, the indicative maximum number of Equity Shares bought back would be 1,50,000 (One Lakh Fifty Thousand) Equity Shares ("Maximum Buyback Shares"). If the Equity Shares are bought back at a price below the Maximum Buyback Price, the actual number of Equity Shares bought back could exceed the Maximum Buyback Shares but will always be subject to the Maximum Buyback Size.
- Further, in accordance with Buyback Regulations, the Company shall utilize at least 50% of the amount earmarked as the Maximum Buyback Size for the Buyback, i.e. ₹8,25,00,000 (Rupees Eight Crores Twenty Five Lakhs only) ("Minimum Buyback Size") and based on the Minimum Buyback Size and the Maximum Buyback Price, the Company will purchase an indicative minimum of 75,000 (Seventy Five Thousand) Equity Shares ("Minimum Buyback Shares").
- The actual number of Equity Shares bought back during the Buyback will depend upon the actual price, including the Transaction Costs, paid for the Equity Shares bought back and the aggregate consideration paid in the Buyback, paid to the Maximum Buyback Size. The actual reduction in outstanding number of Equity Shares would depend upon the price at which the Equity Shares of the Company are traded at the Stock Exchanges as well as the total number of Equity Shares bought back by the Company from the open market through the Stock Exchanges during the Buyback period.

3. Basis for arriving at the Maximum Buyback Price and other details

- The Maximum Buyback Price of ₹1,100 (Rupees One Thousand One Hundred only) per Equity Share has been arrived at after considering various factors, including average of the weekly high and low of the closing share price of the Equity Shares of the Company on the Stock Exchange (till November 10, 2016), the net change in the closing share price of the potential impact of the Buyback on the EPS of the Company. The Maximum Buyback Price excludes the Transaction Costs, viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty and other expenses.
- The Maximum Buyback Price is at a premium of 7.8% and 8.0% over the closing prices on BSE (i.e. ₹1,020.75) and NSE (i.e. ₹1,018.60) respectively, on November 7, 2016 which is one day prior to the notice of the Board Meeting to consider the Buyback proposal was given to BSE and NSE.
- The Buyback is proposed to be completed within a maximum period of 6 (six) months from the date of opening of the Buyback Window. The Buyback of Equity Shares at ₹1,100 (Rupees One Thousand One Hundred only) per Equity Share for the Buyback and achievement of the Minimum Buyback Size, the actual time frame and the price for the Buyback will be determined at the time of the Buyback. If any, conducted by the Board or persons nominated by the Board to exercise its powers in relation to the Buyback, at their discretion, in accordance with the Buyback Regulations. However, in accordance with Regulation 15A(c) of the Buyback Regulations, Buyback price for the Equity Shares in physical form will be determined at the volume weighted average price of the Equity Shares bought back, other than in the physical form, during the calendar week in which the Equity Shares in physical form are received by IDBI Capital Markets & Securities Limited ("Company's Broker") (or in case no Equity Shares are bought back in the normal market during that calendar week than the previous week when the Company last bought back Equity Shares) and the price of Equity Shares tendered in physical form during the first week of the Buyback shall be the volume weighted average market price of the Equity Shares of the Company during the preceding calendar week.
- The amount required by the Company for the Buyback (including the cost of financing the Buyback and the Transaction Costs) will be invested out of cash and bank balances / deposits and / or short term investments and / or internal accruals of the Company. The Company confirms that as required under Section 68(2)(d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid up equity share capital and free reserves post the Buyback.

4. Promoter shareholding and other details

- Details of aggregate shareholding in the Company of the Promoters and the directors of the promoter, where the promoter is a Company and of Persons in Control of the Company, as on date of the board meeting and statement annexed thereto (i.e. November 11, 2016), are as below:

Sr. No.	Promoter / Promoter Companies / Persons who are in Control	No. of Equity Shares	%
1.	C. Bhavani	2,272,566	38.66
2.	P. V. Chandran	584,534	9.95
	Total	2,857,100	48.63

- None of the persons above have purchased or sold any Equity Shares of the Company during the period of six months preceding November 11, 2016, being the date of meeting of the Board at which Buyback was approved

5. Participation by Promoters

- In accordance with the provisions of Regulation 15(b) of the Buyback Regulations, the Buyback shall not be undertaken by the Promoter, or by the Company in compliance with Regulation 19(1)(e) of the Buyback Regulations, the Promoters, will not deal in Equity Shares of the Company in the Stock Exchanges or on-market or off-market transactions including inter-se transfer of Equity Shares amongst them during the period from the date of the board approval till the closing of Buyback.

6. No Defaults

- The Company confirms that there are no defaults subsisting in the repayment of deposits or interest payable thereon, redemption of debentures or preference shares, payment of dividend to any shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank.

7. Confirmation by the Board of Directors of the Company

- The Board has confirmed on the date of the Board meeting, i.e. November 11, 2016 that they have made full inquiry into the affairs and prospects of the Company and that they have formed the opinion:

- that immediately following the date of the Board meeting at which the proposal for Buyback (as defined below) was approved, there will be no grounds on which the Company can be found unable to pay its debts;

- as regards the Company's prospects for the year immediately following the date of the Board meeting at which the proposal for Buyback was approved and declared by the Board i.e. November 11, 2016 and having regard to the Board's intentions 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 (1) year from the date of the Board meeting at which the proposal for Buyback was approved by the Board and in forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company was being wound up under the provisions of the Act (including prospective and contingent liabilities).

8. Report by the Company's Auditors

The Board of Directors

Ambika Cotton Mills Limited

9A, Valluvar Street

Sivanandha Colony

Coimbatore 641 012

Re: Statutory Auditor's Report in respect of proposed buyback of equity shares by Ambika Cotton Mills Limited ("the Company") in terms of the clause (x) of Part A of Schedule II of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended).

- In connection with the proposal of Company Buyback its equity shares ("Buyback") in accordance with the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as amended ("Buyback Regulations"), we report that:
- We have invested into the state of affairs of the Company's in relation to its audited accounts for the year ended March 31, 2016 which was approved by the directors of the Company at the meeting held on May 28, 2016 and the unaudited limited review financial results for the quarter and six months ended September 30, 2016 at the meeting held on November 11, 2016.

- The amount of permissible capital payment towards Buyback of equity shares (including premium), as stated in Annexure A, has been properly determined in accordance with the provisions of Section 68(2)(c) of the Act and proviso to Regulation 4(1) of the Buyback Regulations; and

- The Board of Directors of the Company, in their meeting held on November 11, 2016 have formed an opinion in relation to the state of affairs of the Company in relation to its audited accounts, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one (1) year from that date of the board meeting where the Buyback was approved.

- Compliance with the provisions of the Act and Buyback Regulations is the responsibility of the Company's management. Our responsibility is to verify the factual accuracy of the Company's financial statements. For the purpose of this report, we conducted our verification in accordance with the Guidance Note on Audit Reports and Certificates issued for special purpose issued by the Institute of Chartered Accountants of India. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.

- This report has been issued solely in connection with the proposed Buyback of equity shares by the Company, as stated in paragraph 1 above, and should not be used, referred or distributed for any other purpose without our prior written consent.

- We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For: Venkatesh & Co., Chartered Accountants

(L. Venkatasubbu)

Partner

Membership No. 019791

Place: Coimbatore

Date: 11.11.2016

Chairman and Managing Director

Ambika Cotton Mills Limited

Computation of amount of permissible capital payment towards buy back of equity shares in accordance with Section 68(2)(c) of the Act and proviso to Regulation 4(1) of the Buyback Regulations based on the last audited financial statements:

Particulars	Amount in INR
Paid up equity share capital (A)*	58,75,00,000
Free Reserves:	
- Securities premium account	19,72,58,148
- General reserve	146,78,91,000
- Surplus in the statement of profit and loss	162,64,67,789
Total free reserves (B)	329,17,06,937
Total (A+B)	335,04,56,937
Maximum Amount permitted for Buyback i.e. 10% of the total paid-up capital and free reserves	33,50,45,694

*The amounts have been extracted from the standalone financial statements of the Company for the year ended 31 March, 2016.

- In compliance with the provisions of the Buyback Regulations, the Company will not raise further capital for a period of 1 (one) year from the closure of the Buyback and the Company shall not issue any shares or specified securities including by way of bonus till the date of closure of the Buyback. The Company undertakes not to Buyback its Equity Shares through regulated deals whether on or off the Stock Exchange or through any transactions or through any private arrangements in the implementation of the Buyback. Further, the Company undertakes not to Buyback Equity Shares which are partly paid up or with call-in-arrears or which are subject to a lock-in or which are non-transferable, until such equity shares become fully paid up, free from lock-in or freely transferable, as may be applicable.

- No scheme of amalgamation or compromise or arrangement is pending in relation to the Company on the date of this Public Announcement.

- The Company shall transfer from its free reserves and / or securities premium account a sum equal to the nominal value of the Equity Shares which are purchased through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited financial statements.

- The Buyback is subject to such sanctions and approvals as may be required under applicable laws and regulations. The Buyback shall be subject to such necessary approvals as may be required and the Buyback from overseas corporate bodies and other applicable companies shall be subject to such approvals of the Reserve Bank of India ("RBI"), if any, under the Foreign Exchange Management Act, 1999 and rules, regulations framed there under.

Part B - Disclosures in accordance with Part B of Schedule II of the Buyback Regulations

1. Date of Board approval

- The Board approval for the Buyback was granted on November 11, 2016.

2. Minimum and Maximum Number of Equity Shares proposed to be bought back, sources of funds and cost of financing the Buyback

- As mentioned above, based on the Minimum Buyback Size and the Maximum Buyback Price, the Company will purchase an indicative minimum of 75,000 (Seventy Five Thousand) Equity Shares ("Minimum Buyback Shares") and based on Maximum Buyback Size and the Maximum Buyback Price, the indicative maximum number of Equity Shares bought back would be 1,50,000 (One Lakh Fifty Thousand) Equity Shares ("Maximum Buyback Shares"). If the Equity Shares are bought back at a price below the Maximum Buyback Price, the actual number of Equity Shares bought back could exceed the indicative Maximum Buyback Shares or Minimum Buyback Shares but will always be subject to the Maximum Buyback Size. Further, the number of Equity Shares bought back will not be more than 100% of the paid up equity share capital and free reserves of the Company as at March 31, 2016 through the Stock Exchange route. The Buyback of Equity Shares will result in a reduction in number of shares accompanied by a likely increase in EPS and return on capital employed. The Company believes that the Buyback will create long term value for continuing shareholders. The Buyback is not likely to cause any material impact on the earnings of the Company, except for the cost of financing the Buyback, being a reduction in treasury income that the Company could have otherwise earned on the funds deployed for the Buyback.

3. Proposed timetable

Activity	Date
Date of receipt of Board approval	November 11, 2016
Date of publication of the Public announcement	November 22, 2016
Date of commencement of the Buyback	December 1, 2016

Acceptance of Equity Shares accepted in dematerialised form	Upon the relevant pay-out by the Stock Exchanges
Verification / Acceptance of Equity Shares accepted in the physical mode	Within 15 days of the pay-out by the Stock Exchanges

- In case the Equity Shares bought back are in dematerialized form, the same will be extinguished in the manner specified in the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended and the bye-laws framed thereunder. In case the Equity Shares bought back are in physical form, the Company shall extinguish and physically destroy the share certificates bought back during the month, on or before the 15th day of the succeeding month. Provided that, the Company shall ensure that all the Equity Shares bought back are extinguished within 7 days of the last date of completion of the Buyback

- Earlier of:
 - May 31, 2017 (that is 6 months from the date of the opening of the Buyback); or
 - when the Company completes the Buyback by deploying the amount equivalent to the Maximum Buyback Size; or
 - at such earlier date as may be determined by the Board (including a committee thereof, if any, constituted by the Board or persons nominated by the Board to exercise its powers in relation to the Buyback), after giving notice of such earlier course, subject to the Company having deployed an amount equivalent to the Minimum Buyback Size (even if the Maximum Buyback Size has not been reached or the Maximum Buyback Shares have not been bought back); however, that all payment obligations relating to the Buyback shall be completed before the last date for the Buyback

Last Date for the Buyback

- Process and Methodology to be adopted for the Buyback
 - The Buyback is open to all shareholders holding Equity Shares in physical form ("Physical Shares") and to beneficial owners holding Equity Shares in dematerialised form ("Demat Shares"). The Promoters shall not participate in the Buyback.
 - Further, as required under the Act and Buyback Regulations, the Company shall not purchase Equity Shares which are partly paid up, Equity Shares with call-in-arrears, locked-in Equity Shares or non-transferable Equity Shares, in the Buyback, until they become fully paid up, or until the pendency of the lock-in, or until the Equity Shares become transferable, as applicable.
 - 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, as provided under the Buyback Regulations.
 - For the implementation of the Buyback, the Company has presently appointed IDBI Capital Markets & Securities Limited as the registered brokers ("Company's Broker") through whom the purchases and settlements on account of the Buyback would be made by the Company.

The contact details of the Company's Broker are as follows:

- IDBI Capital Markets & Securities Limited (formerly known as IDBI Capital Market Services Limited)
 - 3rd Floor, Mafalat Centre
 - Nariman Point
 - Mumbai - 400 021
 - Contact: Ms. Charushila Parkar
 - Tel.: +91 22 4322 1212
 - Fax: +91 22 2285 0785
 - E-mail: charushila.parkar@idbicapital.com

- The Equity Shares are traded in compulsory dematerialised mode under the trading code(s) 531978 at BSE and AMBICO at NSE. The ISIN of the Equity Shares of the Company is INE540001014. The Company has made arrangements for shareholders who hold physical shares to participate in the Buyback as mentioned above. Shareholders holding physical shares can sell their Equity Shares in the separate window created for the physical trading segment by the Stock Exchanges.

- The Company, shall, commencing from December 1, 2016 (i.e. the date of opening of the Buyback), place "buy" orders on the BSE and / or NSE on the normal trading segment to Buyback the Equity Shares through of the Company's Broker in such quantity and at such price, not exceeding the Maximum Buyback Size, as may be determined by the Company and One Hundred only per Equity Share, as it may deem fit, depending upon the prevailing market price of the Equity Shares on the Stock Exchanges. When the Company has placed an order for Buyback of Equity Shares, the identity of the Company as a purchaser would be available to the market participants of the Stock Exchanges.

- Procedure for Buyback of Demat Shares: Beneficial owners holding Demat Shares who desire to sell their Equity Shares in the Buyback, would have to do so through their stock broker, who is a registered member of either of the Stock Exchanges by indicating to their broker the details of the equity shares they intend to sell through the Buyback. The broker shall place a "buy" order for Buyback of the equity shares. The Company shall place a "buy" order for Buyback of Demat Shares, by indicating to the Company's Broker, the number of Equity Shares it intends to buy along with a price for the same. The trade would be executed at the price which the order matches the price tendered by the beneficial owners and that price would be the Buyback price for that beneficial owner. The execution of the order, issuance of contract note and delivery of the stock to the member and receipt of payment would be carried out by the Company's Broker in accordance with the requirements of the Stock Exchange.

- It may be noted that a uniform price would not be paid to all the shareholders / beneficial owners pursuant to the Buyback and that the same would depend on the price at which the trade with that shareholder / beneficial owner was executed.

- Procedure for Buyback of Physical Shares: The Company shall approach the Stock Exchanges for permission to use a separate window for the Buyback of physical shares in terms of Regulation 15A of the Buyback Regulations ("Physical Share Buyback Window").

- Upon the receipt of the permission from the Stock Exchanges to use their Physical Share Buyback Window, the Company shall Buyback the physical shares from the shareholders. The procedure for Buyback of physical shares in the Physical Share Buyback Window shall be subject to requirements provided by the Stock Exchanges and any directions in this regard. As per Regulation 15A of the Buyback Regulations:

- The Physical Share Buyback Window shall remain open during the Buyback period, for the Buyback of physical shares.

- Physical shares shall be bought back from eligible shareholders through the Physical Share Buyback Window, only after verification of the requisite documents by the Registrar and Share Transfer Agent of the Company and on completion of the successful verification, the sale transaction may be executed by the broker appointed by the eligible shareholder or the Company's Broker.

- The price at which the physical shares are bought back shall be the volume weighted average price of the Equity Shares bought back in demat form, during the calendar week in which such physical shares are received by broker. In case no Equity Shares were bought back in the normal market during the calendar week, the preceding week when the Company last bought back the Equity Shares in Demat form would be considered. The price of physical shares tendered during the first calendar week of the Buyback period shall be the volume weighted average market price of the Equity Shares of the Company during the preceding calendar week.

- Company's Brokers will charge a brokerage of 0.10% upon successful execution of the transaction and will be deducted from the sale consideration. The sale consideration would be paid immediately after the payment of the Stock Exchange, which in no event will be later than 7 (seven) days after the date of sale.

- Shareholders holding physical shares and proposing to participate in the Buyback will be required to submit a complete set of documents for verification procedure to be carried out, including without limitation, the following documents:

- original physical share certificate(s);
- valid share transfer form(s) duly filled, stamped, signed by the transferees (By all the eligible shareholders in case the Equity Shares are in joint names in the same order in which they hold Equity Shares in the Company) as per the specimen signatures lodged with the Company and duly witnessed at the appropriate place authorizing the transfer of the Equity Shares bought back in favour of the Company;

- In case of unregistered shareholder, (a) Original Equity Share certificates accompanied by valid share transfer forms as received from the market, wherein the name of the transferee has not been filled in, and (b) Original broker contract note of a registered broker of a recognized Stock Exchange in relation to the purchase of the Equity Shares being tendered in this regard.

- KYC Form (to be filled and signed only by the first holder), Acceptance Form and Declaration Form (to be signed by all shareholder(s) including by joint holders of shares). The KYC Form, Acceptance Form and Declaration Form can be obtained by contacting the Company's Registrar and Share Transfer Agent at the details mentioned in Paragraph below.

- Bank account details of the first named holder along with copy of a self-attested cancelled cheque;

- a self-attested copy of the shareholder's (including joint holders) PAN Card or other document confirming the shareholder's identity;

- a self-attested copy of a document confirming the shareholder's current address;

- Telephone number and email address of all the shareholders (including joint shareholders);

- copies of regulatory approvals required, if any, by the shareholder for the transfer of Equity Shares to the Company.

(x) any other relevant documents such as power of attorney, corporate authorization (such as, board resolution / specimen signatures), notated 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, Malati Centre
Nariman Point
Mumbai 400 021
Tel: +91 22 4322 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 / 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 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 bill / Insurance Copy / Unique Identification Number (UID) (Aadhaar), (ii) 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 their own accounts, (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 and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members. Please note that documents having an expiry date should 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 the Company's Broker. The physical shares for Buyback shall be subject to verification of the documents submitted by the shareholders as per the Buyback Regulations and any other acceptance 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 immediately following 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 the price payable in accordance with Paragraph 0 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 been reached. The Company reserves the right to complete the Buyback 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 Market Capitalization of the Company shall be 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 the 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 styled "Escrow Account - 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 settlement obligations of the Stock Exchanges. 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 participant ("DP") holding 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 the 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 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 shall be extinguished within fifteen (15) days of acceptance of the Demat Shares, provided that 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: L17372TN0000226. The Company is listed on the National Stock Exchange. 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 the operation. 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, Thiruvananthapuram and Tirunelveli 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	Amount in Lakhs, unless otherwise stated			
	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the six months ended September 30, 2016
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	22,091.79	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
Paidup equity share capital (Face Value of ₹10 per Share)	587.50	587.50	587.50	587.50
Reserves excluding Revaluation Reserve as per balance sheet 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:

- Profit / (Loss) for the period / year is considered for computation of key ratios
- For six months ended September 30, 2016, return on average net worth is annualized
- Basic Earnings Per Share = Profit / (Loss) for the period / Weighted average no. of Equity Shares
- Diluted Earnings per share = Profit / (Loss) for the period / Weighted average no. of shares, assuming issuance of all the shares kept in abeyance
- Book Value per share = Net Worth (without rounding off) / No. of Equity Shares at the year-end (without rounding off)
- Debt to Equity Ratio = Debt / (Equity share capital + Reserves)
- Return on average net worth = Profit / (Loss) for the period / Average of the opening and closing Net Worth for the year
- 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

- 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.
- The Company has opened an escrow account no. 03810200000134 titled "ACML - 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 on 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.
- 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 Crores 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 Crores Seventy One Lakhs Twenty Five Thousand only), aggregating to ₹4,12,50,000 (Rupees Four Crores Twelve Lakhs Fifty Thousand only), which is 25% of the Maximum Offer Size is in compliance with Buyback Regulations.

- 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.

- 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

- The Equity Shares are listed on the Stock Exchanges.
- 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:

Twelve 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	75,503.58
March 31, 2015	807.00	March 30, 2015	12,679,000	276.85	April 15, 2014	1,443	518.70	1,494,891	775,396.942
March 31, 2016	1,119.75	August 7, 2015	16,245,000	721.00	July 2, 2015	1,996	921.52	1,071,774	987,666.005

During each of 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	816.86	17,164	14,000.615
July 2016	846.25	July 25, 2016	2,636,000	794.65	July 13, 2016	2,808	818.04	24,538	20,073.007
August 2016	837.10	August 2, 2016	1,111,000	809.40	August 12, 2016	1,426	823.18	21,401	17,616.803
September 2016	824.35	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	2,464,000	818.15	October 3, 2016	812	985.01	86,512	85,215.426

*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:

Twelve 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	475,865	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	3,323,618.000

During each of 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 17, 2016	3,013	808.55	May 31, 2016	7,619	839.51	95,382	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	114,466	93,838.000
August 2016	839.40	August 2, 2016	5,435	811.90	August 24, 2016	2,869	824.03	103,807	85,540.000
September 2016	820.35	September 1, 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

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

Approving Authority		NSE		BSE	
Date	Description	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

- 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.

- 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.

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

Shareholders	No. of Equity Shares	% of Shares	No. of Equity Shares	% of Shares
Promoters	28,57,100	46.63	28,57,100	49.91
Public Shareholding	30,17,900	51.37	26,67,900	50.09
Banks, Financial Institutions, Mutual Funds	2,787	0.05	-	-
Individuals	16,63,529	28.32	-	-
Indian Public & Corporate	9,24,471	15.74	-	-
Foreign Institutional Investors	2,34,498	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

- Details of aggregate shareholding in the Company of the Promoters and the Directors of the Promoters where the Promoter is a company and of Persons in Control of the Company, as on date of this Public Announcement, are as below:

Sr. No.	Promoter / Promoter Companies / Persons who are in control	No. of Shares	% of Shares
1.	Mrs. C. Bhavani	22,72,566	38.68
2.	Sh. P. V. Chandran	5,84,534	9.95
Total		28,57,100	48.63

- None of the persons above have purchased or sold any Equity Shares of the Company during the period of six months preceding November 11, 2016, being the date of meeting of the Board at which Buyback was approved.

- The Promoters are not permitted to deal in the equity shares on the Stock Exchanges or off-market, including inter-se transfer of equity shares among the Promoters from the date of the Board approval until the last date for the Buyback as specified in Paragraph 3 of Part B above.

- The aggregate shareholding of the Promoters as on date of this Public Announcement is 48.63% of the total equity share capital of the Company. While the Promoters are not eligible to participate in the Buyback, depending on the number of equity shares bought back by the Company, their effective shareholding percentage in the Company will increase marginally.

- Such an increase in the percentage holding / voting rights of the Promoters is not an active acquisition and is incidental to the Buyback and falls within the limits prescribed under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.