



Ambika Cotton Mills Limited

04/07/2016

Ref.No.ACM/422/2016-17

To,

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai - 400 051

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

BSE - Scrip Code: 531978 Scrip Name: Ambika Cotton Mills Limited

NSE - AMBIKCO

Sir,

Clarifications raised by a shareholder

An Individual shareholder has raised the following clarifications in the light of recent result released and the clarifications made is forwarded for the benefit of all stakeholders.

Q1. In annual report published last year it was mentioned on Page-2 "The Company plans to setup another spinning unit of 30,000 spindles with 100% compact facility consisting of imported and indigenous machinery". Can you please confirm if this facility has been setup or its still pending? If this is pending, please share any expected timeline

Answer : The spinning facility is still pending due to appropriate land clearance from the Government .As and when clearance is obtained the project will be initiated. However the Knitting facility envisaged along with the Project is expected to be operational from October.

Q2. In Mar-16 quarterly result, it is mentioned that company invested INR 2,370 Lakhs in technology up-gradation. Does this involve purchase of any new spindles or this is for upgrading existing 1,08,228 spindles?

Answer : The investment of INR 2,370 Lakhs is for automation and upgrading the existing production process resulting in savings in Labour cost and de-bottlenecking of modification of the product mix. The investment is made out of internal accruals.

Q3. Also if you can please share avg. Capacity utilization for last quarter/year.

Answer: Capacity Utilization is Upto 95 %

Thanking you,
For Ambika Cotton Mills Limited


P.V.Chandran
Chairman and Managing Director

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For AMBIKA COTTON MILLS LIMITED


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