



Ambika Cotton Mills Limited

23/08/2022

Ref.No.ACM/SE/24/2022-23

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  
PhirozeJeejeebhoy Towers  
Dalal Street, Mumbai – 400 001

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

**NSE - AMBIKCO**

Dear Sirs,

**News item in Business Standard with regard to general functioning of Cotton Spinning Mills - Furnishing of Information of Functioning of the Company**

We draw your attention that Business Standard dt. 22.08.2022 (copy enclosed), first page, carries a news item under the Caption that "Cotton mills planning to stop production", on account of low demand for yarn and high price and shortage of cotton, consequently resorting to production cut down by 40% to 50% .

We are engaged in manufacturing cotton yarn and we deem it fit to bring to the notice of all the stakeholders that we continue to operate as before and are not impacted on account of those factors , cited above , as of now.

We request you to take this on Record.

Thanking you

For Ambika Cotton Mills Limited

P.V.Chandran  
Chairman and Managing Director

Encl: As above.

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# Cotton yarn mills planning to stop production

High cotton prices, Ukraine war, poor demand from apparel industry have hit the spinning mills hard

SHINE JACOB & VINAY UMARJI  
Chennai/ Ahmedabad, 21 August

The rise in cotton prices, poor demand of yarn due to the apparel industry scaling down production and a growing stockpile have forced cotton yarn mills across the country to look at ceasing production from Monday, say industry sources.

Cotton prices have increased by over 60 per cent in August compared to the same period last year. And the apparel industry has been hit hard by the dip in exports due to the Russia-Ukraine war and the slow demand owing to the lingering effects of the Covid-19 pandemic.

The Tamil Nadu Spinning Mills Association (Tasma) has already urged its members to stop production from Monday and to use the existing stock to meet the orders of yarn. Sources said that other states like Gujarat,

## FEELING THE PINCH

COTTON PRICES  
₹/candy



Note: \* ₹267 per kg; one candy is equal to 356 kg  
Sources: TASMA, TEAMA

COTTON YARN PRICES  
₹/kg



**₹70/kg** Decline in average yarn prices in last three months  
**60%** Cut in production at mills across India

Maharashtra and Andhra Pradesh are also going for either a complete shut-down or cutting their production further by the end of this month.

"Mills are suffering losses due to the low demand of yarn and the artificially

high price of cotton in the cotton market. Due to this, industry has already cut down production by 40 per cent. But there was no relief despite that, and now mills have to go for a complete stop in production," said K Venkatachalam,

chief advisor, Tasma. India has the second-largest capacity in the world, after China, for spinning cotton yarn with 50 million spindles, out of which Tamil Nadu's share is around 48 per cent.

According to Arvind Kumar Raichura, managing director of Gujarat-based Balkrishna Spintex, most of the 90-odd spinning mills are running at 50 per cent capacity due to the shortage of cotton. "Cotton availability continues to be down by at least 25-30 per cent compared to the same period last year. Many mills are likely to shut down by September 1 if the situation does not improve," said Raichura.

Gujarat has an estimated 1.8-2 million spindles of cotton yarn spinning capacity. In addition to the rise in cotton prices, there has been a considerable drop in yarn prices over the last three months — by 16 per cent, after touching a peak of ₹450 per kg in May 2022. Turn to Page 6 ▶