



Ambika Cotton Mills Limited

02/10/2026

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LISTING COMPLIANCE DEPARTMENT

BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400001 Scrip Code: 531978	The National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 Symbol: AMBIKCO
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Dear Sirs,

38th AGM of the Company - Filing transcript of Chairman's Statement made at the meeting - Reg

We are filing the transcript of Chairman's Statement made at the 38th AGM of the Company held on Tuesday 29.09.2026 for records.

For Ambika Cotton Mills Limited

RADHE

SHYAM PADIA

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RadheShyam Padia
Company Secretary

Reg Office: 15/ 9A, Valluvar Street, Sivanandha Colony, Coimbatore- 641012
Phone No : 0422-2491501/2491502 Fax No : 0422-2499623
e Mail : ambika@acmills.in website : www.acmills.in

CIN: L17115TZ1988PLC002269

CHAIRMAN'S ADDRESS

38th Annual General Meeting – FY 2025–26

Respected Members, Fellow Directors, Distinguished Shareholders, and my colleagues,

Good afternoon to all of you.

It gives me great pleasure to welcome you to the 38th Annual General Meeting of Ambika Cotton Mills Limited.

On behalf of the Board of Directors and the entire Ambika team, I would like to thank you for your continued confidence, support and association with the Company.

FY 2025–26 has been a year of renewed growth for Ambika. More importantly, we have been able to pursue this growth while remaining firmly anchored to the principles that have guided the Company for decades — financial discipline, product quality, customer relationships, operational efficiency and prudent capital allocation.

Let me talk about the Financial Performance of the Company

During FY 2025–26, our revenue from operations increased to approximately ₹780.95 crore, compared with ₹702.07 crore in the previous year, representing a growth of approximately 11%.

Profit after tax increased to ₹71.56 crore, compared with ₹65.74 crore in FY 2024–25, an increase of approximately 8.85%.

Earnings per share increased from ₹114.83 to ₹125.00.

Our export business also recovered meaningfully during the year. Export turnover increased to approximately ₹545.5 crore, accounting for around 72.9% of total turnover.

This recovery is particularly significant as it follows a decline in exports during the previous financial year. It reflects the strength of our customer relationships and our continued ability to serve international markets with products where quality, consistency, traceability and sustainability matter.

Our Core Philosophy

At Ambika, our philosophy has always been very simple:

Our core principle is to build and sustain a strong balance sheet — solvency is our prime motive, it's what gives us the freedom to act decisively when opportunities emerge and to stay steady through any market cycle.

This philosophy has helped us build a strong balance sheet and has allowed us to make investments from our own internal resources rather than depending excessively on external borrowings.

But financial discipline is only one part of the Ambika philosophy.

We do not believe in simply selling spindle capacity. We believe in selling differentiated products.

Our objective is not to chase volume for the sake of it. We focus on products and customers where quality, consistency, sustainability, traceability and reliability are valued.

Our customers include leading international brands and marquee clients who have demanding quality and sustainability requirements. These relationships have been built over many years.

Several of our customers have been associated with the Company for one to two decades, and approximately half of our clients have relationships with us extending beyond 15 years.

We consider these relationships to be one of Ambika's most important intangible assets.

Our strategy, therefore, is centred around:

- quality and consistency;
- technology and automation;
- product differentiation;
- customer-specific product development;
- operational efficiency; and
- disciplined capital allocation.

Traceability is also becoming increasingly important to global textile brands.

Our systems enable us, in many cases, to trace finished yarn back to the individual bale, ginner and originating farm. This level of traceability strengthens our engagement with international customers and supports our positioning in premium and value-added products.

Capacity Expansion and Modernisation

During FY 2025–26, the Company invested approximately ₹69.96 crore, entirely from internal accruals.

Our installed spindle capacity increased from approximately 108,288 spindles in financial year 2025 to 114,336 spindles

during financial year 2026. Further 6,480 spindles commissioned on 26-09-2026 making the total spindles 120,816.

The next important step in our manufacturing journey is the modernisation of Unit 4.

We are planning an investment of approximately ₹135 to ₹138 crore in new-generation machinery. This investment is also proposed to be funded entirely through internal accruals.

The modernisation will involve replacing approximately 43,000 existing spindles with 45,000 new-generation spindles.

The objective of this investment is not simply to increase capacity. It is to fundamentally improve the manufacturing platform through higher productivity, greater automation, improved process control, better product consistency and lower manpower requirements.

The targeted operational date is March 2027.

This investment reflects the way we have always approached expansion.

We do not want to become larger merely for the sake of becoming large. We want to become better, more productive, more automated, more energy-efficient and more resilient.

Financial Strength

We should be particularly pleased with the continued strength of our balance sheet.

Your Company remains debt-free.

The Company generated approximately ₹228.25 crore of net cash from operating activities during FY 2025–26.

This financial strength provides us with the ability to fund our planned investments substantially through internal accruals while retaining financial flexibility.

Inventory management is critical to our industry, as raw cotton is a seasonal key input. We maintain adequate inventory levels to ensure uninterrupted production, meet sudden spikes in demand, and mitigate potential supply-chain disruptions, while balancing quality and cost.

For us, a strong balance sheet is not simply a financial metric.

This is a strategic advantage.

It allows us to make long-term decisions, withstand periods of market volatility and take decisions based on what is right for the business rather than what is dictated by short-term financial constraints.

Sustainability

Sustainability continues to be an integral part of our operating philosophy.

We currently have 27.4 MW of installed wind power capacity and 8.33 MW of rooftop solar capacity, primarily for captive consumption.

Approximately 82–84% of our total energy requirement is met through renewable sources.

During FY 2025–26, the Company estimates that approximately 41,011 tonnes of CO₂ emissions were avoided through renewable energy usage.

We are also evaluating opportunities in Battery Energy Storage Systems, subject to technical feasibility, investment economics, operating requirements and the regulatory environment.

Our approach to sustainability is practical and long term.

We believe that investments in renewable energy and energy efficiency must not only contribute to environmental objectives but also improve the resilience and competitiveness of our manufacturing operations.

FY 2026–27 comes with Early Indications

The beginning of FY 2026–27 has been encouraging.

For Q1 FY 2026–27, revenue from operations increased to ₹257.92 crore, compared with ₹191.98 crore in Q1 FY 2025–26.

Profit after tax increased to ₹25.70 crore, compared with ₹15.92 crore in the corresponding quarter.

EPS increased from ₹27.81 to ₹44.89.

The performance is indicative of the resurgence of global demand coupled with the capacity expansion.

However, we remain conscious that the textile industry is influenced by several external factors, including raw-material prices, currency movements, competitive pressures and global economic conditions.

We will therefore continue to approach growth with discipline and remain focused on areas where we believe Ambika has a sustainable competitive advantage.

Let me dwell a bit on our Capital Allocation practice

Our approach to capital allocation remains unchanged.

We will invest where we see a clear opportunity to improve productivity, technology, product differentiation and long-term competitiveness.

The proposed modernisation of Unit 4 is an important example of this philosophy.

It is not expansion for expansion's sake.

It is an investment in the quality, productivity and efficiency of our manufacturing base.

At the same time, we will continue to maintain a strong balance sheet and ensure that growth does not come at the cost of financial discipline.

Now I would like to talk about Shareholder Returns

The Board has recommended a final dividend of ₹37 per equity share of ₹10 face value for FY 2025–26, subject to the approval of the Members.

The proposed dividend represents a total payout of ₹21.18 crore, corresponding to a payout ratio of approximately 29.60%.

Our objective is to maintain an appropriate balance between shareholder returns, reinvestment in the business and preservation of financial strength.

We believe that sustainable shareholder value is created over time by maintaining this balance.

People and Governance

No business can succeed without the people behind it.

Our performance is the result of the collective contribution of our employees, customers, suppliers, bankers, auditors, advisors and business partners.

I would particularly like to acknowledge the dedication and commitment of our employees across all our manufacturing and support functions.

I would also like to reaffirm our commitment to sound corporate governance, regulatory compliance, transparency and responsible stewardship of shareholder capital.

These are not merely compliance requirements for us. They are fundamental to the way we conduct our business.

Looking Ahead

Members, Ambika's journey has been built over decades.

Our approach has always been based on patience, discipline and long-term thinking.

As we move forward, our focus will remain firmly on:

- technology-led modernisation,
- premium and value-added products,
- customer-specific innovation,
- operational efficiency,
- strong and enduring export relationships,
- renewable energy,
- disciplined capital allocation, and above all,

- long-term value creation for our customers and shareholders.

We enter the next phase with a strong balance sheet, established customer relationships, increasing capacity and a clear focus on productivity and value addition.

Our ambition is not simply to grow bigger.

Our ambition is to build a stronger, more efficient and more valuable Ambika.

I believe the foundation we have built over the years gives us the resilience to navigate industry cycles and the financial strength to invest when opportunities arise.

On behalf of the Board, I once again thank all our shareholders for your continued trust and support.

I also express my sincere appreciation to my fellow Directors, all stakeholders and to the entire Ambika team for their commitment and contribution.

We look forward to continuing this journey with you.

Thank you.

P. V. Chandran

Chairman & Managing Director
Ambika Cotton Mills Limited

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