SHIVA MILLS LIMITED

Regd.Office : 249-A, Bye-Pass Road, Mettupalayam Road, Coimbatore - 641 043, Tamilnadu, India.
Telephone : 0422-2435555 Email : shares@shivamills.com Website : www.shivamills.com
CIN: L17111TZ2015PLC022007 GSTRN: 33AAXCS5170R1ZC

SML/SEC/SE/184/2026-27 27.7.2026

The Manager
Listing Department
National Stock Exchange of India Limited
"Exchange Plaza" C-1, Block G
Bandra-Kurla Complex, Bandra (East)
Mumbai 400 051

BSE Limited
Floor25
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Sir/Madam,

Sub: Filing of Annual Report for the year 2025-2026 - Regulation 34(1) - reg.
Scrip Code: NSE - SHIVAMILLS ; BSE - 540961

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial year 2025 – 2026 along with the AGM Notice.

The said Annual Report has also been uploaded on the website of the Company at www.shivamills.com

Please take on the record of the above.

Thanking you,

Yours faithfully,

For SHIVA MILLS LIMITED

Shyamala Mahalingam

Digitally signed by Shyamala Mahalingam
DN: c=IN, o=Personal, title=6812, pseudonym=lcyyb8WHybf1xjTOGH2vuCDSrwGMBC3k, 2.5.4.20=c70665fd26bcaa285d456cfa439181857753ae7022bd3a579abbdc11605a3989, postalCode=641034, st=Tamil Nadu, serialNumber=7c02ad34833e24b166d87395d50db626c09c1a06cb2c48cba7c449b543b73be1, cn=Shyamala Mahalingam
Date: 2026.07.27 10:10:55 +05'30'

M SHYAMALA
COMPANY SECRETARY

Encl: as above

AA\SML - Stock Exchange\Letter to NSE BSEII

SHIVA MILLS LIMITED

2026

11th | Annual Report

SHIVA MILLS LIMITED

Regd. Office. 249-A, Bye-Pass Road Mettupalayam Road, Coimbatore 641043
Phone: 0422- 2435555, website:www.shivamills.com,
e-mail:shares@shivamills.com, CIN: L17111TZ2015PLC022007

NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the Members of the Company will be held on Thursday the 27th August, 2026 at 12.00 Noon (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), to transact the business set out in the agenda given below:

You are requested to make it convenient to attend the meeting.

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2026, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Smt A Lalitha, (DIN 00003688) who retires by rotation and being eligible, offers herself for re-appointment.
3. **To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:**

   RESOLVED that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) and pursuant to recommendations of the Audit Committee and the Board of Directors, M/s. CSR & Co Chartered Accountants, Coimbatore (ICAI Firm Registration No.014424S), be and are hereby appointed as the Statutory Auditors of the Company to hold office for a term of five consecutive years, from the conclusion of the 11th Annual General Meeting until the conclusion of the 16th Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors.

SPECIAL BUSINESS

4. **To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:**

   RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and further pursuant to the recommendation of Audit Committee, the remuneration of Rs.1,00,000 (Rupees One Lakh only) (besides reimbursement of out of pocket expenses incurred by him for the purpose of Audit) payable to Sri M Nagarajan, Cost Auditor (Firm Registration No. 102133), as approved by the Board of Directors for conducting the audit of the Cost Records of the Company for the Financial Year ending 31st March, 2027 be and is hereby ratified and confirmed.

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND MANAGING DIRECTOR
DIN 00002450

Coimbatore
27th May, 2026

Notes:

- In accordance with the provisions of the Companies Act, 2013, read with the Rules made thereunder and General Circular No.03/2025 dt:22.9.2025, and other Circulars issued by the Ministry of Corporate Affairs ("MCA") from time to time, ("the Circulars"), companies are allowed to hold AGM through Video Conference/Other Audio Visual Means ("VC/OAVM") till further orders, without the physical presence of members. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and the MCA Circulars, the AGM of the Company is being held through VC/OAVM.

- Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.

- Institutional/Corporate Shareholders (i.e., other than individuals/HUF, NRI, etc.,) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to sharpcs1@gmail.com with copies marked to the Company at shares@shivamills.com and to its RTA at investor.helpdesk@in.mpms.mufg.com

- Members are requested to submit the questions in advance to the e-mail address shares@shivamills.com.

- In compliance with the aforesaid MCA Circulars and Listing Regulations, the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the financial year ended 31.3.2026 and the Notice calling the AGM pursuant to Section 101 of the Act read with the Rules framed thereunder, such statements are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/RTA/the Depository Participant(s). A letter containing the web link, along with the exact path to access the complete details of the Annual Report, is being sent to shareholders who have not registered their email address with the Company's RTA or DP. The physical copies of such statements and Notice of AGM will be dispatched only to those shareholders who request for the same to Company e-mail id viz., shares@shivamills.com by clearly mentioning their Folio number/DP ID and Client ID.

- The members attending the meeting through VC/OAVM shall be reckoned for the purpose of Quorum as stipulated under Section 103 of the Companies Act, 2013.

- All the resolutions will be passed through the facility of e-voting system only.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to the items 3 and 4 of the Agenda are annexed hereto.
- The dividend declared for the Financial Year 2016-17 and 2017-18 remaining unclaimed for a period of 7 years were transferred to the "Investor Education and Protection Fund" of the Central Government and for subsequent years will be transferred to the "Investor Education and Protection Fund" of the Central Government, on the respective due dates. Shareholders, who have not encashed their dividend warrants are requested to write to the Registrars and Share Transfer Agents, M/s. MUFG Intime India Private Limited "Surya" 35, May flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028 for claiming the dividend.
- Previous year figures are given in brackets for the purpose of comparison.
- Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection through electronic mode only.
- In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at a meeting. Please note that the voting through electronic means is optional for the members. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided.
- The voting through electronic means will commence on Monday, 24.8.2026 at 10.00 A.M (IST) and will end on Wednesday, 26.8.2026 at 5.00 P.M (IST). The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-voting system shall be disabled for voting thereafter. The persons those who are holding shares as on the cut-off date of 20.8.2026 are only eligible to cast their e-voting.
- The Notice of the Annual General Meeting along with the Annual Report for the financial year 2025-26 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/ Depositories in accordance with the relevant MCA Circulars and circular issued by SEBI. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2025-26 will also be available on the Company's website www.shivamills.com; websites of the Stock Exchanges i.e., National Stock Exchange of India Ltd and BSE Limited at www.nseindia.com and www.bseindia.com respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
- The Company has appointed Sri R Dhanasekaran, Practicing Company Secretary, to act as the Scrutinizer for conducting the voting process in a fair and transparent manner.

Updation of PAN, KYC and Nomination details:

- As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/CIR/2023/37 dt: 16.3.2023, it is mandatory for the shareholders holding securities in physical form shall furnish PAN, KYC and nomination details. Any payment including dividend shall only be made electronically w.e.f. 1.4.2024 upon updating the same. The relevant circular and necessary forms are available in the Company's website at http://www.shivamills.com/ shares/ investors-kyc-formats/

- **Issue of securities in dematerialized form:**

  SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dt: 25.1.2022 has mandated listed companies to issue securities only in dematerialized form while processing service requests viz., issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal/Exchange of securities certificate, Endorsement, sub-division/Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission and Transposition. According to the operational guidelines mentioned in the circular, security holders are requested to demat the physical shares in the timeline prescribed. The Company has opened a Suspense Escrow Demat Account with Stock Holding Corporation of India Limited in this regard.

Registration of email ID and Bank Account details:

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate the following instructions to be followed:

i. Shareholders holding shares in physical mode are requested to communicate their change of postal address (enclose copy of Aadhar Card), e-mail address if any, self-attested copy of PAN Card and bank account details (enclose cancelled cheque leaf) quoting their folio nos. to the Registrar and Share Transfer Agents M/s. MUFG Intime India Private Limited, 'Surya' 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028

ii. In the case of Shares held in Demat mode:

   The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

- Instructions for e-voting and joining the Annual General Meeting are as follows:

REMOTE e-VOTING INSTRUCTIONS FOR SHAREHOLDERS:

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:
Individual Shareholders holding securities in demat mode with NSDL:

METHOD 1 - Individual Shareholders registered with NSDL IDeAS facility

Shareholders who have registered for NSDL IDeAS facility:

a) Visit URL: https://eservices.nsdl.com and click on "Beneficial Owner" icon under "Login".

b) Enter User ID and Password. Click on "Login"

c) After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.

d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

OR

Shareholders who have not registered for NSDL IDeAS facility:

a) To register, visit URL: https://eservices.nsdl.com and select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

b) Proceed with updating the required fields.

c) Post successful registration, user will be provided with Login ID and password.

d) After successful login, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.

e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - Individual Shareholders directly visiting the e-voting website of NSDL:

a) Visit URL: https://www.evoting.nsdl.com

b) Click on the "Login" tab available under 'Shareholder/Member' section.

c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.

d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.

e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with CDSL:

METHOD 1 – Individual Shareholders registered with CDSL Easi/ Easiest facility

Shareholders who have registered/ opted for CDSL Easi/ Easiest facility:

a) Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com.

b) Click on New System Myeasi Tab

c) Login with existing my easi username and password

d) After successful login, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime, for voting during the remote e-voting period.

e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

OR

Shareholders who have not registered for CDSL Easi/ Easiest facility:

a) To register, visit URL: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration / https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration

b) Proceed with updating the required fields.

c) Post registration, user will be provided username and password.

d) After successful login, user able to see e-voting menu.

e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - Individual Shareholders directly visiting the e-voting website of CDSL.

a) Visit URL: https://www.cdslindia.com

b) Go to e-voting tab.

c) Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".

d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account

e) After successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

a) Login to DP website

b) After Successful login, user shall navigate through "e-voting" option.

c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.

d) After successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Login method for shareholders holding securities in physical mode/Non-Individual Shareholders holding securities in demat mode

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for InstaVote as under:

1. Visit URL: https://instavote.linkintime.co.in

Shareholders who have not registered for INSTAVOTE facility:

2. Click on **"Sign Up"** under 'SHARE HOLDER' tab and register with your following details:

   A. User ID:

   NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

   CDSL demat account – User ID is 16 Digit Beneficiary ID.

   Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

B. PAN:

Enter your 10-digit Permanent Account Number (PAN)

(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI:

Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)

D. Bank Account Number:

Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*Shareholders holding shares in **NSDL form,** shall provide 'D' above

Shareholders holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

- Set the password of your choice
- (The password should contain minimum 8 characters, at least one special Character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
- Enter Image Verification (CAPTCHA) Code
- Click "Submit" (You have now registered on InstaVote).

Shareholders who have registered for INSTAVOTE facility:

3. Click on **"Login"** under 'SHARE HOLDER' tab.

   A. User ID: Enter your User ID

   B. Password: Enter your Password

   C. Enter Image Verification (CAPTCHA) Code

   D. Click "Submit"

4. Cast your vote electronically:

   A. After successful login, you will be able to see the "Notification for e-voting".

   B. Select 'View' icon.

C. E-voting page will appear.

D. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

E. After selecting the desired option i.e. Favour / Against, click on 'Submit'.

A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund"):

STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

a) Visit URL: https://instavote.linkintime.co.in

b) Click on **"Sign Up"** under "Custodian / Corporate Body/ Mutual Fund"

c) Fill up your entity details and submit the form.

d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.

e) Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

STEP 2 –Investor Mapping

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) Click on **"Investor Mapping"** tab under the Menu Section

c) Map the Investor with the following details:

A. Investor ID' –

i. NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678

ii. CDSL demat account – User ID is 16 Digit Beneficiary ID.'

B. Investor's Name - Enter Investor's Name as updated with DP.

C. Investor PAN' - Enter your 10-digit PAN.

D. Power of Attorney' - Attach Board resolution or Power of Attorney.

*File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID. Further, Custodians and Mutual Funds shall also upload specimen signatures.

E. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the "Report Section".

STEP 3 - Voting through remote e-voting.

The corporate shareholder can vote by two methods, during the remote e-voting period.

METHOD 1 - VOTES ENTRY

a) Visit URL: https://instavote.linkintime.co.in and login with credentials as received in Step 1 above.

b) Click on 'Votes Entry' tab under the Menu section.

c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.

d) Enter '16-digit Demat Account No.' for which you want to cast vote.

e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the **"View Resolution"** file link).

f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.

g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

VOTES UPLOAD:

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) After successful login, you will be able to see the "Notification for e-voting".

c) Select **"View"** icon for **"Company's Name / Event number".**

d) E-voting page will appear.

e) Download sample vote file from **"Download Sample Vote File"** tab.

f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under **"Upload Vote File"** option.

g) Click on 'Submit'. 'Data uploaded successfully' message will be displayed.

h) (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password :

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in

- Click on "Login" under **'SHARE HOLDER'** tab.
- Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. The password should contain a minimum of 8 characters, at least one special character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID:

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in

- Click on 'Login' under "Custodian / Corporate Body/ Mutual Fund" tab
- Click "forgot password?"
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

❖ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

❖ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

INSTAMEET VC INSTRUCTIONS FOR SHAREHOLDERS

In terms of Ministry of Corporate Affairs (MCA) General Circular No. 03/2025 dated 22.09.2025, the Companies can conduct their AGMs/ EGMs by means of Video Conference (VC) or other audio-visual means (OAVM).

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access InstaMeet facility.

Login method for shareholders to attend the General Meeting through InstaMeet:

1. Visit URL: https://instameet.in.mpms.mufg.com & click on" Login"

- Select the **"Company"** and '**Event Date**' and register with your following details: -
  - A. **Demat Account No. or Folio No :** A.Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.

    Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

    Shareholders holding shares in physical form – shall provide Folio Number.
  - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN)

    (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - C. **Mobile No.:** Enter your mobile number.
  - D. **Email ID:** Enter your email id, as recorded with your DP/Company.
- Click **"Go to Meeting"** (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders / Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request with the company.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
4. Other shareholder who has not registered as "Speaker Shareholder" may still ask questions to the panellist via active chat-board during the meeting.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET
3. Click on 'Submit'.
4. After successful login, you will see "Resolution Description" and against the same the option "Favour / Against" for voting.
5. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
6. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

Helpdesk:

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufg.com or contact on: - Tel: 022 - 4918 6000 / 4918 6175.

STATEMENT OF MATERIAL FACTS PURSUANT TO REGULATION 36(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ITEM 3

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with applicable Rules made thereunder, M/s VKS Aiyer & Co, Chartered Accountants, Coimbatore (Firm Registration No: 000066S) were appointed as the Statutory Auditors of the Company at 6th Annual General Meeting of the Company for a period of five years. The term of office of present Statutory Auditors expires on the conclusion of the ensuing 11th Annual General Meeting.

Pursuant to the provisions of Sections 139, 142, and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company, on the recommendation of the Audit Committee, has proposed the appointment of M/s CSR & Co, Chartered Accountants (Firm Registration No. 014424S) as the Statutory Auditors of the Company, to hold office for a period of 5 years from the conclusion of 11th Annual General Meeting (AGM) till conclusion of 16th Annual General Meeting of the Company; pursuant to completion of tenure by M/s VKS Aiyer & Co (ICAI Firm Registration No.000066S) in this AGM.

The Company has also received a certificate from the proposed Statutory Auditors M/s CSR & Co, Chartered Accountants, Coimbatore to the effect that their appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 and that they are eligible to be appointed as the Statutory Auditors of the Company. They have also confirmed their independence and eligibility under Section 141 of the Companies Act, 2013.

Disclosures pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Proposed Fee payable: Rs.4,50,000/- (Rupees Four Lakhs Fifty Thousand Only) per annum.

Term of appointment: A term of five consecutive years to hold office from the conclusion of the 11th Annual General Meeting of the Company till the conclusion of the 16th Annual General Meeting.

Material change in the fee payable: There is no material change in the proposed fee payable to the Statutory Auditors from that paid to the outgoing Auditors.

Basis of Recommendation: The recommendations are based on the fulfilment of the eligibility criteria such as industry experience, knowledge, expertise, audit team, quality of reports etc., and qualification prescribed under the Companies Act, 2013 and Rules made thereunder and SEBI LODR Regulations.

Credentials of Statutory Auditors:

i. M/s CSR & Co., (Firm Registration No. 014424S), Chartered Accountants firm based in Coimbatore since 2013, having extensive experience in Audit & Advisory Services to Corporate and Non-Corporate entities.

ii. The firm is currently providing Audit & Assurance, Taxation Services and Corporate Advisory Services.

iii. The firm consists of 25 members including of Partners, Chartered Accountants, Managers, Associates, Executives and Article Trainees and their sector experience includes, Textile, Auto-Components, Light Engineering, Information Technology services, Health Care, Dairy and Hospitality.

iv. The firm holds valid peer review certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Board of Directors recommend the Ordinary Resolution as set out in this item of the Notice for approval of members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.3.

STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM 4

The Board of Directors of the Company, on recommendation of the Audit Committee, approved the appointment and payment of remuneration to Sri M Nagarajan, Cost Auditor to conduct the audit of the Cost records of the Company for the financial year ending 31st March, 2027.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be approved by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2027, as set out in the resolution.

The Board of Directors recommend the Ordinary Resolution as set out in this item of the Notice for approval of members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.4.

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND MANAGING DIRECTOR
DIN 00002450

Coimbatore
27th May, 2026

Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS-2) and in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking appointment/re-appointment

Name	**Smt A Lalitha**
Age	56 years
Qualification	B. Com.,
Experience, Skills and capabilities	She has nearly 2 decades of experience in Business/ Industry. Optimum level of utilization of skills and expertise for business decisions.
Terms and conditions of appointment or re-appointment	Term of Appointment as Joint Managing Director for 5 years with effect from 31.8.2022 to 30.8.2027.
Last drawn remuneration (2025-2026)	Rs. 36.00 lakhs
Date of first appointment on the Board	31.8.2017
No. of shares held	2,13,680
Relationship with Directors, Managers and KMP	Daughter of Sri S V Alagappan, Managing Director
No. of Board Meetings attended during 2025-2026	4 out of 4 meetings held.
Other Directorship	Anamallais Cars Private Limited Annamallai Retreading Company Private Limited Bannari Amman Automobiles Private Limited Shiva Automobiles Private Limited
Member of Committees	Stakeholders Relationship Committee - Member
Chairman/ Member of the Committees of the Boards of other Companies	Nil
Listed entities from which the Director has resigned in the past three years	Nil

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND MANAGING DIRECTOR
DIN 00002450

Coimbatore
27th May, 2026

Contents

BOARD OF DIRECTORS

Sri S V Alagappan	Chairman and Managing Director
Smt A Lalitha	Joint Managing Director
Sri S K Sundararaman	Non-Independent Director
Sri S Palaniswami	Independent Director
Sri C Sivasamy	Independent Director
Sri M Ganeshkumar	Independent Director
Sri K Manikandan	Independent Director

CHIEF FINANCIAL OFFICER
Sri R Selvaraj

COMPANY SECRETARY
Smt M Shyamala

STATUTORY AUDITORS
M/s. V K S Aiyer & Co.
Chartered Accountants
Coimbatore - 641 011

INTERNAL AUDITORS
M/s B M & Associates
Chartered Accountants
Coimbatore - 641 044

SECRETARIAL AUDITOR
Sri R Dhanasekaran
Practicing Company Secretary
Coimbatore - 641 018

COST AUDITOR
Sri M Nagarajan
Cost Auditor
Coimbatore - 641 018

BANKERS
ICICI Bank Ltd
Indian Overseas Bank

REGISTERED OFFICE
249-A, Bye-Pass Road,
Mettupalayam Road
Coimbatore - 641 043. Tamilnadu
Phone : 91-422-2435555
E-mail : shares@shivamills.com
Website : www.shivamills.com
CIN : L17111TZ2015PLC022007

REGISTRAR & SHARE TRANSFER AGENT
MUFG INTIME INDIA PRIVATE LIMITED
(Formerly Known as Link Intime India Private Limited)
'Surya' 35, May Flower Avenue
Behind Senthil Nagar, Sowripalayam Road
Coimbatore - 641 028
CIN : U67190MH1999PTC118368

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 11th Annual Report together with Audited Financial Statements of the Company for the year ended 31st March, 2026. The Financial Results are summarized and given below:

Rs. in Lakhs

Financial Results	2025 - 26	2024 - 25
Total Income	14034.79	17085.03
Profit/(Loss)before Interest and Depreciation	688.81	373.86
Less: Interest	39.53	122.77
Profit before Depreciation	649.28	251.09
Less: Depreciation	696.37	675.82
Profit/(loss) before Tax	(47.09)	(424.73)
Less: Provision for Income Tax		
- Current Tax	-	-
- Prior Year Tax	-	-
- Deferred Tax Liability (Net) written back	(38.14)	(43.61)
Profit/(loss) after Tax	(8.95)	(381.12)
Other Comprehensive income	17.76	3.53
Total Comprehensive Income/ (Loss) for the year	8.81	(377.59)

DIVIDEND

Your directors have not recommended any Dividend for the year under review.

PRESENTATION OF FINANCIAL STATEMENTS

The Financial Statements for the year ended 31st March, 2026 have been prepared in accordance with the Indian Accounting Standard (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Companies (Accounts) Rules, 2014 and other relevant provisions of the Act.

REVIEW OF OPERATIONS

During the year under review, the Spinning Unit produced 4127.75 tonnes (Last Year 5722.69 tonnes) of cotton yarn and 1562.25 tonnes (Last Year 1865.58 tonnes) of waste cotton. The Spinning unit sold 4390.83 tonnes (Last Year 5646.28 tonnes) of cotton yarn and 1575.24 tonnes (Last Year 1938.17 tonnes) of waste cotton. Average yarn count produced during the year increased to 42s (last year 32s)

The Wind Mills with aggregate installed capacity of 10.65 MW generated 190.07 lakhs units (Last Year 160.08 lakhs units) of Wind Electricity during the year. There has been an increase in wind power generation by 18.74% as compared with previous year generation. The power generated by the wind mills were utilized for captive consumption at the textile mill during the year except banked quantity of 9.13 Lakhs which was sold to TANPDCL and value of wind power sold to TNPDCL and included in other income amounted to Rs.18.82 Lakhs (Last Year Rs.Nil)

PROSPECTS FOR THE CURRENT YEAR

The Company's performance during the current year will largely depend upon the demand for yarn in both domestic and export markets at remunerative prices, along with the availability of quality cotton at stable and reasonable rates. The Indian cotton spinning industry is expected to witness gradual growth supported by improving domestic demand and recovery in global apparel markets. However, considering the continuing volatility in cotton prices and pressure on yarn realizations, the overall outlook for the textile industry remains cautiously optimistic. With the support of the Company's windmill operations and continued focus on cost control measures, the Company expects to maintain stable operations with the possibility of achieving a marginal profit during the year.

TRANSFER TO RESERVES

The Company has not transferred any amount to Reserves during the year under review.

CHANGES IN SHARE CAPITAL

There were no changes in the share capital of the Company during the year.

TRANSFER OF UNCLAIMED DIVIDEND/INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') as amended, all unpaid or unclaimed dividends which were required to be transferred by the Company to the IEPF pertaining to the Financial Year 2017-18 were transferred to IEPF Authority.

The Company has also transferred Shares in respect of which dividend amount remained unpaid/unclaimed for a consecutive period of 7 (Seven) years or more to IEPF Authority.

The details of unpaid/unclaimed dividend and the Shares transferred to IEPF Authority are available on the Company's website www.shivamills.com

EVENT SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of the report.

There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016. There was no instance of one-time settlement with any Bank or Financial Institution.

PUBLIC DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review. The Company has no public deposits outstanding at the beginning and at the end of the year.

CORPORATE GOVERNANCE

To comply with requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 both in letter and spirit, your Company is committed to the principles of good Corporate Governance and continues to adhere good corporate governance practices consistently.

A separate section is given on Corporate Governance, Management Discussion and Analysis along with a certificate from a Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms part of this Annual Report.

ANNUAL RETURN

Pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013, Annual Return for Financial Year ended on 31st March, 2026, is being posted on the website of the Company viz., www.shivamills.com

DIRECTORS

Smt A Lalitha, Joint Managing Director (DIN 00003688) will retire by rotation at the ensuing Annual General Meeting; she is eligible for re-appointment and seeks her re-appointment.

All the Independent Directors have given declarations that they have met the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained a certificate from Sri R Dhanasekaran, Company Secretary in Practice certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI/Ministry of Corporate Affairs or any such Statutory Authority.

AUDIT COMMITTEE

The Audit Committee comprises of

Sri S Palaniswami	-	Independent Director / Chairman
Sri S K Sundararaman	-	Non-Executive Non-Independent Director
Sri C Sivasamy	-	Independent Director
Sri M Ganeshkumar*	-	Independent Director

The Board has implemented the suggestions made by the Audit Committee from time to time.

KEY MANAGERIAL PERSONNEL

Key Managerial Personnel of the Company are as below:

Name of the persons	Designation
Sri S V Alagappan	Managing Director
Sri R Selvaraj	Chief Financial Officer
Smt M Shyamala	Company Secretary

EVALUATION OF BOARD OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the evaluation of Independent Directors are done by the entire Board of Directors including performance and fulfilment of independence criteria specified in the Regulation and their independence from the Management. Independent Directors at their meeting held on 5.2.2026 without participation of non-Independent Directors and Management, considered and evaluated the Boards' performance and performance of the Chairman and Managing Director.

The Board has carried out an annual evaluation of performance of Board and of individual Directors as well as the Committees of Directors. The evaluation has been conducted internally in the manner defined by Nomination and Remuneration Committee.

BOARD MEETINGS

During the year under review, Four Board Meetings were conducted. The details of the same have been given in the Corporate Governance Report under applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forming part of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees regulated by the provisions of Section 186 of the Companies Act, 2013. The details of the investments made by the Company are given in the notes to the Financial Statements.

ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. The policy has been posted in the website of the Company: www.shivamills.com

POLICY ON NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors have framed a policy setting out the framework for payment of Remuneration to Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The Policy lays down the principles relating to appointment, cessation, remuneration and evaluation of Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The policy is explained as part of the Corporate Governance Report.

The Committee ensures that

a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully

b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and

c) Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

RELATED PARTY TRANSACTIONS

All the related party transactions that were entered into during the financial year in the ordinary course of business and the prices were at arm's length basis. Hence, the provisions of Section 188 (1) of the Companies Act, 2013 are not attracted. Further no materially significant related party transactions were entered by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. Approval of Audit Committee was obtained for transactions of repetitive nature on annual basis. All related party transactions are placed before the Audit Committee for approval and Board of Directors for their review. The policy on Related Party Transactions is available in the website www.shivamills.com

There were no transactions made with any person or entity belonging to promoter/promoter group which holds 10% or more shareholding in the Company.

Disclosure of these transactions in form AOC-2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out below:

PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED

Particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are given in form AOC - 2 in **Annexure - I**

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status and the Company's operation in future.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134 (5) of the Companies Act, 2013 your Directors confirm that:

a) Your Directors have followed in the preparation of the annual accounts, the applicable accounting standards with proper explanation relating to material departures;

b) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) Your Directors have prepared the annual accounts on a going concern basis;

e) Your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) Your Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS

The present Auditors of the Company M/s VKS Aiyer & Co., Chartered Accountants, Coimbatore (Firm Registration No: 000066S), were appointed for a term of 5 years, pursuant to the resolution passed by the members at the Annual General Meeting held on 20.9.2021. The term of office of M/s VKS Aiyer & Co., ends at the conclusion of the ensuing 11th Annual General Meeting.

The Audit Committee of the Company after due deliberation and discussion and considering various factors such as industry experience, knowledge, expertise, audit team, quality of reports etc., recommended the appointment of M/s CSR & Co., Chartered Accountants, (Firm Registration No. 014424S) Coimbatore as Statutory Auditors for a term of Five consecutive years to hold office from the conclusion of this 11th Annual General Meeting till the conclusion of 16th Annual General Meeting. A proposal for their appointment as Statutory Auditors for the next term of 5 years is placed before the members for their approval at the ensuing Annual General Meeting.

Necessary resolution is included in the notice of 11th AGM for approval of the shareholders.

Auditor's Report for the Financial year 2025-2026 does not contain any qualification, reservation or adverse remarks requiring any comments by the Board of Directors.

DETAILS OF FRAUDS REPORTED BY AUDITORS

There were no frauds reported by the Statutory Auditors under provisions of Section 143 (12) of the Companies Act, 2013 and rules made thereunder.

SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company appointed Sri R Dhanasekaran, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure - II**

The report does not contain any qualification, reservation or adverse remark.

As per provisions of the Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of Directors have appointed Sri R Dhanasekaran, Practicing Company Secretary as Secretarial Auditor for a term of five consecutive years from 1.4.2025 to 31.3.2030.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time.

COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014, as amended from time to time, the Board of Directors, on the recommendation of Audit Committee, has appointed Sri M Nagarajan, Cost Accountant, Coimbatore as Cost Auditor to conduct Cost Audit of the Company for the financial year 2026-2027. The Company has maintained such accounts and cost records as required under Section 148(1) of the Companies Act, 2013.

JOINT VENTURE, ASSOCIATE AND SUBSIDIARIES

The Company does not have any Joint Venture, Associate and Subsidiaries as per Rule 6 of the Companies (Accounts) Rules, 2014. Hence, no reporting of the same in Form AOC -1 has been made.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

The Company has appointed M/s B M Associates, Chartered Accountants, to monitor and evaluate the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee and to the Chairman and Managing Director of the Company.

Based on the report of Internal Auditors, corrective actions are taken in the respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

STATEMENT ON RISK MANAGEMENT POLICY

The Company has developed a Risk Management Policy and implemented the same. At present the Company has not identified any element of risk which may be of threat to the existence of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted Corporate Social Responsibility Committee which shall recommend to the Board, the activities to be undertaken by the Company as specified in Schedule VII, recommend the amount of expenditure to be incurred on such activities and monitor the CSR policy of the Company. The Company has not met any of the criteria prescribed under Section 135(1) of the Companies Act, 2013, during the immediately preceding Financial Year i.e., 2024-25 and hence the Company is not required to spend any amount on account of CSR for the Financial Year 2025-26. Annual Report on CSR activities and its related particulars are not applicable for the Financial Year 2025-26, hence it is not enclosed. The Committee consists of the following Directors:

1.	Sri S V Alagappan	Managing Director
2.	Smt A Lalitha	Joint Managing Director
3.	Sri S Palaniswami	Independent Director

The Company has amended and adopted the CSR Policy on 6.2.2021 in line with the CSR Rules as amended by Ministry of Corporate Affairs. The Policy on Corporate Social Responsibility is available in the website www.shivamills .com.

STATUTORY DISCLOSURES

I. **Conservation of Energy and others** - The particulars required to be included in terms of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2026 relating to Conservation of Energy, etc., is enclosed as **Annexure - III.**

II. **Remuneration of Directors and other details** - The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2026 is provided in **Annexure -IV.**

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

During the year under review the human relations continued to be very cordial.

The Company has an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, and an Internal Complaints Committee (ICC) has been constituted to redress complaints of sexual harassment as provided therein. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

a. No.of complaints received during the financial year	2025-26	Nil
b. No.of complaints disposed off during the financial year	2025-26	Nil
c. No.of complaints pending as on end of financial year	2025-26	Nil
d. No. of Sexual Harassment complaints pending beyond 90 days		Nil

During the year, the Company is in compliance with the provisions of the Maternity Benefit Act, 1961 and such other prevailing labour laws to the extent applicable and your Company continues to promote supportive and compliant workplace environment for all its employees.

ACKNOWLEDGEMENT

Your Directors acknowledge with thanks the financial assistance extended by the Bankers for providing the required credit facilities to the Company. Your Directors wish to place on record their appreciation of the contribution made by the employees for their support to get over the difficulties faced by the Company.

By Order of the Board
S V ALAGAPPAN
CHAIRMAN & MANAGING DIRECTOR
DIN 00002450

Coimbatore
27th May, 2026

ANNEXURE - I

Form AOC - 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis**

   Not Applicable. During the year, all transactions with the related parties were entered at arm's length.

2. **Details of material contracts or arrangements or transactions at arm's length basis-** Nil

By Order of the Board
S V ALAGAPPAN
CHAIRMAN & MANAGING DIRECTOR
DIN 00002450

Coimbatore
27nd May, 2026

ANNEXURE - II

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2026)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members
SHIVA MILLS LIMITED
(CIN: L17111TZ2015PLC022007)
249 -A, Bye-Pass Road, Mettupalayam Road,
Coimbatore - 641 043.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHIVA MILLS LIMITED (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SHIVA MILLS LIMITED ("the Company") for the financial year ended on 31st March 2026) ('Audit Period') according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder ;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder ;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the Audit Period)

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit Period)

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the Audit Period)

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period)

vi. The following other laws specifically applicable to the company:

a. Textile Committee Act, 1963

b. Textiles (Development and Regulation) order, 2001

c. Textiles (Consumer Protection) Regulation, 1985

I have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc., mentioned above.

I further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, and also on the review of periodical compliance reports by respective department heads / company secretary / CFO taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable financial / general laws like, direct and indirect tax laws, labour laws, and environmental laws.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors of the company that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that, there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period:

The company has not taken any events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

R Dhanasekaran
Company Secretary in Practice
FCS 7070 / CP 7745
Peer Review No. 6739/2025
ICSI UDIN: F007070H000502015

Place: Coimbatore
Date: 27th May, 2026

ANNEXURE - III
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2026 is given here below and forms part of the Directors' Report.

A) CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy;

❖ **Energy-Efficient Fan Implementation in Preparatory and Autoconer and Humidification Plant**

The Company installed energy-efficient fans and inverters in the humidification plant, which resulted in reduction in power consumption and consequential energy savings. The above measures contributed towards conservation of energy and improvement in operational efficiency.

❖ **Regular Energy Audits and Conservation Practices**

Continuous energy audits and proactive implementation of conservation measures ensure long-term sustainability and drive further energy optimization.

(ii) Steps taken by the company for utilizing alternate sources of energy;

❖ For alternate source of energy the Company having the 10.65 MW of Wind Mill and during the year the Company utilised 160.02 lakhs units of power generated through windmills.

❖ During the year the Company has utilised 27.48 Lakhs units of Solar Power for alternate source of Energy.

(iii) Capital investment on energy conservation equipment;

❖ Investment for reduction of consumption of energy are being made after careful evaluation of each proposal.

B) TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption;

The Company continuously monitors the technology evolving in energy conservation measures and adopts the one which suits the Company's requirements.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

With the measures adopted by the Company, there is substantial saving in energy consumption thereby reduction in cost of production.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

Not applicable.

(iv) the expenditure incurred on Research and Development: Nil

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review foreign exchange earnings were Rs. Nil (Rs. Nil). Foreign exchange outgo was Rs 6.90 Lakhs (Rs. 110.70 lakhs)

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND MANAGING DIRECTOR
DIN 00002450

Place: Coimbatore
Date: 27th May, 2026

ANNEXURE IV

DISCLOSURE IN THE BOARD'S REPORT ON REMUNERATION OF DIRECTORS, ETC.,

Particulars of Remuneration of Directors and Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

(I) The Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial year 2025 -26

Director's Name	Ratio
Sri S V Alagappan, Managing Director	29.80 :1
Smt A Lalitha, Joint Managing Director	27.47:1

(ii) The Percentage increase/(decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any, in the Financial Year 2025-26 compared to 2024-25

Director's Name/CS/CFO	% increase in remuneration
Sri S V Alagappan, Managing Director	Nil
Smt A Lalitha, Joint Managing Director	Nil
Smt M Shyamala, Company Secretary	Nil
Sri R Selvaraj, Chief Financial Officer	Nil

In respect of other Directors, the Company is paying only sitting fees. Hence not considered for the above purposes.

(iii) Percentage increase / (decrease) in the median remuneration of employees in the Financial year 2025-26 : Nil

(iv) Number of permanent employees on the rolls of the Company : 587

(v) Average percentile increase already made in the salaries of Employees other than Managerial Personnel in the last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentile increase granted to employees other than managerial personnel is : Nil

The percentile increase / (decrease) to managerial personnel is : Nil

The Board of Directors of the Company affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the remuneration policy approved by the Board of Directors of the Company.

(vi) Particulars of Employees as per Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Particulars of Top Ten Employees in terms of remuneration drawn as required under Rule 5(2):

Name (Age in years)	Designation	Gross Remuneration paid (in Rs.Lakhs)	Qualification	Date of Commencement of employment (experience in years)	Previous Employment
Sri S V Alagappan (84)	Chairman and Managing Director	39.04	B. Com., B.L.,	10.7.1989 (42)	Shiva Texyarn Limited
Smt A Lalitha(56)	Joint Managing Director	36.00	B. Com	1.4.2010 (20)	Shiva Texyarn Limited
Sri M Shanmugam (76)	Chief Executive Officer	16.57	B.Com., FCA	1.4.2018 (8)	Shiva Distilleries Limited
Sri V A Om Prakash Babu (56)	General Manager	16.80	DTT	28.3.2019 (7)	Natural Tex Yarn Private Limited
Sri J Senthil Kumar (56)	General Manager Marketing	16.36	B.Sc., MBA	1.7.2019 (7)	Bannari Amman Spinning Mills Limited
Smt M Shyamala (44)	Company Secretary	14.10	M.Com., ACS	18.1.2010 (16)	Shiva Texyarn Limited
Sri R Selvaraj (44)	Chief Financial Officer	15.05	M.Com., ACA	18.5.2018 (8)	Indsil Energy and Electro chemicals Limited
Sri C Bose (63)	Senior Engineer	9.56	DME	1.10.2017 (12)	GHCL
Sri Sakthivel (57)	Factory Manager	9.13	DTT	14.03.2025 (1)	Dharani Textiles
Sri J Sahayaraj (56)	Senior Electrical Engineer	8.52	DECE	1.5.2000 (26)	Madura Coats

None of the employees, listed in the said Annexure is related excepting Sri S V Alagappan and Smt A Lalitha. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company except Smt A Lalitha. The appointment of all the above employees are permanent in nature except Managing Director and Joint Managing Director.

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND MANAGING DIRECTOR
DIN 00002450

Coimbatore
27nd May, 2026

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on corporate governance envisages the attainment of high levels of transparency, accountability, fairness and equity in all facets of its operations, procedures, reporting system and in all the interactions with its stakeholders.

Shiva Mills Limited has adopted a Code of Conduct which lays down standards of values, ethics and business principles of management.

BOARD OF DIRECTORS

The Board comprises of 7 Directors viz., 2 Executive Directors including a Woman Director, 1 Non-Executive non-Independent Director and 4 Non-Executive Independent Directors.

Sl.No	Name of the Director	Category of Directorship	Number of Directorship held in other Companies*	Number of Board Committee Membership held in other Companies**	
				Chairman	Member
1.	Sri S V Alagappan	Executive - Promoter	1	1	1
2.	Smt A Lalitha	Executive - Promoter	-	-	-
3.	Sri S K Sundararaman	Non-Executive Non-Independent - Promoter	5	2	5
4.	Sri S Palaniswami	Non-Executive - Independent	-	-	-
5.	Sri M Ganeshkumar	Non-Executive - Independent	-	-	-
6.	Sri C Sivasamy	Non-Executive - Independent	1	-	-
7.	Sri K Manikandan	Non-Executive - Independent	-	-	-

Sri S V Alagappan and Smt A Lalitha are related as father and daughter.

* Excluding private companies which are not subsidiary of public companies.

** For the purpose of determination of limit, only Committees referred under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are considered.

The name of the listed entities where the person is a Director and the category of Directorships as per Schedule V Part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

S.No	Name of the Directors	Name of the Listed Entities holding Directorships	Category of Directorships	No. of shares held
1.	Sri S V Alagappan	Shiva Texyarn Ltd	Chairman	-
		Shiva Mills Ltd	Chairman & Managing Director	21,780
2.	Smt A Lalitha	Shiva Mills Ltd	Joint Managing Director	2,13,680
3.	Sri S K Sundararaman	Shiva Texyarn Ltd	Managing Director	50,760
		Shiva Mills Ltd	Non-Independent Director	-
		Pricol Ltd	Independent Director	-
		Shanthi Gears Ltd	Independent Director	-
		Bannari Amman Spinning Mills Ltd	Non - Independent Director	-
4.	Sri S Palaniswami	Shiva Mills Ltd	Independent Director	-
5.	Sri C Sivasamy	Shiva Mills Ltd	Independent Director	-
		Bannari Amman Spinning Mills Ltd	Independent Director	-
6.	Sri M Ganeshkumar	Shiva Mills Ltd	Independent Director	-
7.	Sri K Manikandan	Shiva Mills Ltd	Independent Director	-

In the opinion of the Board the Non-Executive Independent Directors fulfill the conditions laid down for appointment/re-appointment as Independent Directors as specified in Section 149 of the Companies Act, 2013 and rules made thereunder and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

A formal letter of appointment/re-appointment has been issued and a copy of the same is posted on the website of the Company viz., www.shivamills.com

BOARD MEETINGS AND ANNUAL GENERAL MEETING

During the financial year, 4 Board Meetings were convened by giving advance notices to the Directors. The meetings were held on 22.5.2025, 7.8.2025, 5.11.2025, and 5.2.2026. The interval between the two Meetings were well within the maximum period prescribed under the Companies Act, 2013 and Regulation 17(2) of the SEBI (LODR) Regulations, 2015.

The Board is given all the material information which are incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meetings.

Details of attendance of each Director at the Board Meetings and at the last Annual General Meeting (held on 21.8.2025) are furnished here below:

Name of the Director	Number of Board Meetings held during the year or after appointment as Director	Number of Board Meetings attended	Last AGM attended Yes/No
Sri S V Alagappan (DIN 00002450)	4	4	Yes
Smt A Lalitha (DIN 00003688)	4	4	No
Sri S K Sundararaman (DIN 00002691)	4	3	Yes
Sri S Palaniswami (DIN 00007901)	4	3	Yes
Sri C Sivasamy (DIN 00002921)	4	4	Yes
Sri M Ganeshkumar (DIN 10175966)	4	4	Yes
Sri K Manikandan (DIN 10674837)	4	4	Yes

FAMILIARISATION PROGRAMME

At the time of appointment of Directors, a formal letter of appointment is issued, which sets out roles, functions, duties and responsibilities expected from them. The Directors have also been explained the relevant regulations. The appointments are also provided with necessary information to understand the Company's operations, products and events relating to the Company. The details of familiarisation programmes imparted to independent directors is available on the weblink: http://www.shivamills.com/shares/policies

CHART SETTING OUT THE SKILLS OF THE BOARD OF DIRECTORS

Board of Directors	Age	Date of appointment	Qualification	Skills / Expertise
Sri S V Alagappan	84	24.11.2015	B.Com., B.L	He has more than 42 years of experience in Textile Industry. Sound knowledge on Company's business, policies, vision and mission, strengths, weakness, opportunities and threats of the Company's business operations. Leadership, decision making, market expertise.
Smt A Lalitha	56	31.8.2017	B.Com.,	She has nearly 21 years of experience in Business/ Industry. Optimum level of utilization of skills and expertise for business decisions.
Sri S K Sundararaman	53	24.11.2015	MBBS., MBA.,	He has more than 27 years of experience in Textile/Business Expertise/professional skills/ intellectual inputs in relation to Company's business & accounting and related financial management
Sri S Palaniswami	82	31.8.2017	B.E Electrical Engineering	He has more than 47 years of experience in the field of Vertical Transportation Elevators, Escalators and allied products. General administration
Sri M Ganeshkumar	61	26.6.2023	B.A, LLB	He has more than 33 years of experience specialising in civil and criminal laws as an Advocate.
Sri C Sivasamy	69	31.8.2017	Diploma in Mechanical Engineering	He has more than 46 years of experience in the field of Automobiles. General administration
Sri K Manikandan	46	28.6.2024	Chartered Accountant	He has more than 17 years of experience as practicing professional, sound knowledge in Direct & Indirect taxation matters. Expertise in relation to Internal Audit / Concurrent Audit.

CODE OF CONDUCT

The Company has adopted the code of conduct for all Board Members and Senior Management as required under Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The code is posted on the company's website at www.shivamills.com. All Board Members and Senior Management personnel have affirmed compliance with the code on an annual basis and a declaration to this effect signed by the Chairman is attached to this report.

AUDIT COMMITTEE

The Audit Committee consists of following Directors:

Sl.No	Name	Position	No of Meetings Attended
1.	Sri S Palaniswami	Chairman - Independent	3
2.	Sri S K Sundararaman	Member - Non-Executive Non-Independent	3
3.	Sri C Sivasamy	Member - Independent	4
4.	Sri M Ganeshkumar	Member - Independent	4

During the financial year, the Audit Committee met 4 times 22.5.2025, 7.8.2025, 5.11.2025, and 5.2.2026. The Audit Committee Chairman was present at the last AGM.

The terms of reference of the Audit Committee are as set out in Regulation 18 (3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter-alia includes the following:

a) Review of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;

c) Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;

d) Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:

   i. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

   ii. changes, if any, in accounting policies and practices and reasons for the same;

   iii. major accounting entries involving estimates based on the exercise of judgment by management;

   iv. significant adjustments made in the financial statements arising out of audit findings;

   v. compliance with listing and other legal requirements relating to financial statements;

   vi. disclosure of any related party transactions; and

   vii. modified opinions in the draft audit report..

e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

g) Review and monitor the Auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the company with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of the company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

n) Discussion with Internal Auditors of any significant findings and follow up thereon;

o) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

p) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

r) To review the functioning of the Whistle Blower mechanism;

s) Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

u) To Review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/ investments existing as on the date of coming into force of this provision.

v) The Audit Committee shall mandatorily review the following information:

   1) management discussion and analysis of financial condition and results of operations;

2) statement of significant related party transactions (as defined by the audit committee), submitted by management;

3) management letters / letters of internal control weaknesses issued by the statutory auditors;

4) internal audit reports relating to internal control weaknesses; and

5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

6) statement of deviations:

   I. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

   ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of 3 Directors, two of whom are independent:

Sl.No.	Name of the Director	Position	No. of meetings attended
1.	Sri S Palaniswami	Chairman	4
2.	Sri S K Sundararaman	Member	4
3.	Sri C Sivasamy	Member	4

The Nomination and Remuneration Committee Chairman was present at the last Annual General Meeting. The other members of the Committee were present at the meeting.

During the financial year, the Nomination and Remuneration Committee met 4 times 21.5.2025, 2.2.2026, 26.3.2026 and 31.3.2026.

The terms of reference specified by Board of Directors to the Nomination and Remuneration Committee are as under:

(a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(b) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(c) devising a policy on diversity of board of directors;

(d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

(e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(f) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Remuneration Policy

The Nomination and Remuneration Committee has adopted a charter which, inter alia, deals with the manner of selection of Board of Directors/Key Managerial Personnel/Senior Managerial Personnel. The policy is accordingly derived from the said Charter. The policy on remuneration is available in the following weblink:www.shivamills.com

Evaluation Criteria

The Nomination and Remuneration Committee has formulated the methodology and criteria to evaluate the performance of the Board and each Director including Independent Director. The evaluation of the performance of the Board and its committees are evaluated through a questionnaire circulated to all directors and based upon the response to the questionnaire, the directors do a self-evaluation of their performance. Accordingly, Board reviewed the performance of each of the directors and expressed their satisfaction.

The performance evaluation of the Chairman and the Managing Director was carried out separately by the Independent Directors. The Independent Directors expressed their satisfaction on the performance of the Chairman and the Managing Director and Joint Managing Director.

Remuneration to Managing Director and Joint Managing Director :

Name	Designation	Remuneration per annum (Rs. in lakhs)
Sri S V Alagappan	Managing Director	39.04
Smt A Lalitha	Joint Managing Director	36.00

Remuneration to Non-Executive / Independent Directors

All the non-executive Directors are paid with sitting fee of Rs. 20,000/- as recommended by Nomination and Remuneration Committee and approved at the Board Meeting for each Board Meeting, Audit Committee Meeting and Independent Directors meeting attended by them.

Criteria of making payment to Non-Executive Directors are available in the weblink: http://www.shivamills.com /shares /600/Policies.

Meeting of Independent Directors

During the year under review the Independent Directors met on 5.2.2026 for the following purposes:

- Evaluation of performance of non-Independent Directors and the Board as a whole
- Evaluation of performance of the Chairman and Managing Director of the Company
- Evaluation of quality and flow of information to the Board

All the Independent Directors were present at the meeting. In the opinion of the Board, all the Independent Directors are fulfilling the conditions of the Regulations and are Independent of the Management.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility Committee which shall recommend to the Board, the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 recommend the amount of expenditure to be incurred on such activities and monitor the CSR policy of the Company. The Company has not met any of the criteria prescribed under Section 135(1) of the Companies Act, 2013, during the immediately preceding Financial Year i.e., 2024-25 and hence the Company is not required to spend any amount on account of CSR for the Financial Year 2025-26. Corporate Social Responsibility Committee consisting of the following Directors:

Sl.No.	Name of the Director	Position
1.	Sri S V Alagappan	Managing Director
2.	Smt A Lalitha	Joint Managing Director
3.	Sri S Palaniswami	Independent Director

SUBSIDIARIES

The Company has no material subsidiary within the meaning of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted a Policy for determining material subsidiary and is available on the weblink: https://www.shivamills.com/shares/policies

RELATED PARTY TRANSACTIONS

The Company has adopted policy on dealing with Related parties. The same is disclosed in the website of the Company and is available in the weblink: https://www.shivamills.com/shares/policies

RISK MANAGEMENT COMMITTEE

Requirement of constitution of Risk Management Committee pursuant to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, is not applicable to the Company.

Disclosures regarding commodity price risk and hedging activities pursuant to Regulation 34(3) read with clause 9(n) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted Policy on Foreign Exchange Risk Management on 28.5.2018.

Exposure to commodity risks faced by the Company throughout the year

Total exposure of the Company to commodities in INR : Nil

Exposure of the Company to various commodities : Nil

Commodity name	Exposure in INR towards the particular commodity	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
-	-	-	-	-	-	-	-

PARTICULARS OF SENIOR MANAGEMENT

The Board of Directors, has identified the Senior Management Personnel (SMP) pursuant to the provisions of Regulation 16(1) (d) of the Listing Regulations. The details of SMP's as at 31st March, 2026 are as follows:

Sl.No.	Name of SMP	Designation	Changes, if any
1.	Sri M Shanmugam	Chief Executive Officer	No
2.	Smt M Shyamala	Company Secretary	No
3.	Sri R Selvaraj	Chief Financial Officer	No
4.	Sri J Senthil Kumar	GM - Marketing	No
5.	Sri V A Om Prakash Babu [&]	General Manager	Yes
6.	Sri P Solairaj*	Senior General Manager	Yes

[&] Resigned w.e.f. 31.3.2026

* Appointed w.e.f. 1.4.2026

WHISTLE BLOWER MECHANISM

The Company has established a whistle blower policy/vigil mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected incidents of fraud or violation of the code of conduct or ethics policy. This mechanism provides adequate safeguards against victimization of directors/employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. The whistleblower policy is posted on the Company's website at the link http://www.shivamills.com/shares/policies

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.3.2026

Name of the Director	No. of shares held
Sri S K Sundararaman	Nil
Sri S Palaniswami	Nil
Sri M Ganeshkumar	Nil
Sri C Sivasamy	Nil
Sri K Manikandan	Nil

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was formed to specifically look into shareholders/investors complaints, if any, on transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, etc., and also the action taken by the Company on those matters.

The Stakeholders Relationship Committee consists of:

Sl.No.	Name of the Director	Position
1.	Sri S K Sundararaman	Chairman
2.	Smt A Lalitha	Member
3.	Sri C Sivasamy	Member

Smt M Shyamala, Company Secretary is the Compliance Officer.

The Company has not received any complaints from the Investors for redressal during the year and there were no complaints pending at the beginning of the year.

CEO & CFO CERTIFICATION

The Managing Director and Chief Financial Officer have furnished a certificate relating to financial statements and internal controls and systems to the Board of Directors as prescribed under Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Board took the same on record.

INSIDER TRADING

In compliance with SEBI Regulations in prohibition of insider trading the Company has framed a comprehensive Code of Conduct. The Code lays down guidelines and procedures to be followed and disclosures to be made by the management staff while dealing with the shares of the Company.

GENERAL BODY MEETINGS

Details of last three Annual General Meetings and Special Resolutions passed thereat are as follows:

AGM	Date & Time	Location	Special Resolutions Passed	Voting Pattern
8th	21.9.2023 11.30 A.M	through Video Conference (VC) / Other Audio Visual Means (OAVM)	Appointment of Sri M Ganeshkumar, as an Independent Director (DIN 10175966)	Total Votes polled : 65,17,419 Votes polled for: 65,17,419 Votes against : Nil Votes neutral : Nil
9th	21.8.2024 12.00 Noon	through Video Conference (VC) / Other Audio Visual Means (OAVM)	Appointment of Sri K Manikandan, as an Independent Director (DIN 10674837)	Total Votes polled : 65,16,689 Votes polled for: 65,16,689 Votes against : Nil Votes neutral : Nil
10th	21.8.2025 12.00 Noon	through Video Conference (VC) / Other Audio Visual Means (OAVM)	Approval for Modification of remuneration payable to Sri S V Alagappan, Managing Director (DIN 00002450)	Total Votes polled : 65,05,748 Votes polled for: 64,83,834 Votes against : 134 Votes neutral : Nil
			Approval for Modification of remuneration payable to Smt A Lalitha, Joint Managing Director (DIN 00003688)	Total Votes polled : 65,05,748 Votes polled for: 62,91,934 Votes against : 134 Votes neutral : Nil

Sri R Dhanasekaran, Practicing Company Secretary, Coimbatore was appointed as Scrutinizer to conduct the voting process.

There is no Special Resolution passed last year through postal ballot and no Special Resolution being proposed for the approval of shareholders through postal ballot in the forthcoming Annual General Meeting.

DISCLOSURES

- The Company has not entered into any transaction of a material nature with the related parties having potential conflict with the interest of the Company.

  There was no instance of non-compliance of any matter related to the capital markets.

- The Company has a Whistle Blower Policy in place and no personnel has been denied access to the Audit Committee.

- The Company has complied with all the mandatory requirements of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of non-mandatory requirements the Company has complied the conditions except the appointment of separate persons to the post of Chairman and Managing Director/CEO and circulation of half Yearly financial results to each household of the shareholder.

- The Company has not raised funds through preferential allotment or qualified institutions placements, hence no reporting of utilisation of the same is made as specified under Regulation 32 (7A).

- There were no instances of Board for non-acceptance of any recommendation of any Committee of the Board which is mandatorily required during the Financial Year.

- The Company has obtained a Certificate from Sri R Dhanasekaran, Company Secretary in Practice under clause (i) of clause 10 of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed to this report as Annexure.

- The Company has not given loans and advances to firms/companies in which directors are interested.

- During the year the Company has not received any complaint under the provisions of Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

MEANS OF COMMUNICATION

The quarterly/half-yearly/annual financial results of the Company are announced within the stipulated period and are normally published in Business Standard (English) and Makkal Kural (Tamil) newspapers. The results and news items relating to the Company are displayed in company's website: www.shivamills.com

SHAREHOLDERS' INFORMATION

Annual General Meeting

Day and Date	:	Thursday 27th August, 2026
Time		12.00 Noon
Venue	:	Video Conferencing (VC)/other Audio-Visual Means ("OVAM")

Financial Year 2025-2026

Results Announced	:	27.5.2026
Dividend payment date	:	Not Applicable
Announcement of quarterly Results	:	I) During first/second week of August and November 2026, February and May 2027 or as stipulated by SEBI from time to time. ii) the financial results are displayed on the website of the Company www.shivamills.com

LISTING ON STOCK EXCHANGES

The Company's Equity Shares are listed on the following Stock Exchanges:

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001	**Stock Code:** 540961	**National Stock Exchange of India Limited** "Exchange Plaza" Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E) Mumbai 400 051	**Stock Code:** SHIVAMILLS

The Company has paid Annual Listing Fees for the year 2026-2027.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

The Company has not issued GDRs/ADRs/Warrants or any convertible instruments

DEMATERIALISATION OF SHARES

The shares of the Company are in compulsory demat segment. The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Members have option to hold their shares in demat form (i.e electronic mode) either through the NSDL or CDSL. ISIN allotted to our Company is INE644Y01017. As on 31.3.2026, 98.57% of the shares of the Company have been dematerialised. The whole of the Promoters Shareholding have been dematerialised.

REGISTRAR AND SHARE TRANSFER AGENT

MUFG Intime India Private Limited *
"Surya"35, Mayflower Avenue
Behind Senthil Nagar
Sowripalayam Road, Coimbatore - 641028

Phone: (0422) 4958995, 2539835, 2539836
Fax: (0422) 2539837
E-mail : investor.helpdesk@in.mpms.mufg.com
Website : https://in.mpms.mufg.com

All documents and requests pertaining to shares, nomination forms and change of address may directly be sent to the above address.

SHARE TRANSFER SYSTEM

The Share Transfers in physical form were discontinued w.e.f. 1.4.2019 as per SEBI guidelines. Transmission/Transposition requests, if any, which are in physical form are registered and returned within 30 days from the date of receipt, if they are in order. The same are approved by the Share Transfer Committee.

- **Updation of PAN, KYC and Nomination details:**

  As per SEBI Circular dt: 16.3.2023, it is mandatory for the shareholders holding securities in physical form shall furnish PAN, KYC and nomination details. Any payment including dividend shall only be made electronically w.e.f. 1.4.2024 upon updating the same. The relevant circular and necessary forms are available in the Company's website at http://www.shivamills.com/shares/investors-kyc-formats/.

- **Issue of securities in dematerialized form:**

  SEBI vide its Circular dt: 25.1.2022 has mandated listed companies to issue securities only in dematerialized form while processing service requests viz., issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal/Exchange of securities certificate, Endorsement, sub-division/Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission and Transposition. According to the operational guidelines mentioned in the circular, security holders are requested to demat the physical shares in the timeline prescribed. The Company has opened a Suspense Escrow Demat Account with Stock Holding Corporation of India Limited in this regard.

DISTRIBUTION OF SHAREHOLDING AS ON 31.3.2026

CATEGORY	No. of Shares held	Percentage of Shareholding
Promoter's Holding	6475916	74.937
Banks/FIs/Mutual Funds	28126	0.326
Private Corporate Bodies	23538	0.272
Indian Public	2091276	24.199
NRI/OCBs	22952	0.266
Total	**8641808**	**100.000**

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

i. In terms of Regulation 34(3) read with Part F of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, entered into with Stock Exchanges, the Suspense Account in the name of "Shiva Mills Limited - Unclaimed Shares Demat Suspense Account" and 1280 equity shares which are remains unclaimed and laying with erstwhile holding Company viz., Shiva Texyarn Limited during the course of Demerger, were transferred to Shiva Mills Limited on 25.8.2020.

ii. An amount of Rs.636 is outstanding payable to 19 shareholders in respect of fractional shares sold in terms of Clause 9.3.3 of the Scheme of Arrangement (Demerger) dt. 23.8.2017 approved by the Hon'ble National Company Law Tribunal, Division Bench, Chennai. The payments made to them are returned undelivered and the said amount is kept in a separate Bank Account viz., "SHIVA MILLS LIMITED - UNPAID FRACTIONAL SHARES AMOUNT ACCOUNT".

Pursuant to Section 125(2) of the Companies Act, 2013, on expiry of the period of seven years, Rs.636 were transferred to the Investor Education and Protection Fund Authority (IEPFA) on 27.2.2026. After effecting this transfer to IEPFA, the Unpaid Fractional Shares Amount Account was closed by the Company.

The above details are available on the website of the Company www.shivamills.com.

DISCLOSURE OF CERTAIN TYPE OF AGREEMENTS

There are no agreement impacting management or control of the Company or imposing any restriction or create any liability upon the Company as specified in Schedule III, Para A, Clause 5A of Listing Regulations.

PLANT LOCATIONS

Spinning Unit	
Velvarkottai village Dindigul District, Tamilnadu	
Windmill Units	
Irukkandurai Tirunelveli Tamilnadu Gathalrev, Dharapuram Tk, Tamilnadu	Dhanakarkulam, Tirunelveli, Tamilnadu Vadavalli, Sulur Tk, Tamilnadu
Varapatti, Sulur Tk, Tamilnadu	

ADDRESS FOR CORRESPONDENCE

All investor related queries and complaints may be sent to the following address:
The Company Secretary
Shiva Mills Limited
Regd. Office: 249-A, Bye - Pass Road Mettupalayam Road
Coimbatore-641 043
E-mail: shares@ shivamills.com

CREDIT RATINGS

Credit ratings obtained by the Company and revisions thereto during the financial year 2025 -26 for credit facilities availed by the Company from Banks are as follows:

Rating Agency	Communication No	Nature of facility	Rating	Rating action
CARE Ratings Limited	CARE/CMBO/RL /2025-26/1063	Long-term Bank facilities	CARE BBB; Stable	Downgraded from CARE BBB+; Negative
		Short Term Bank Facilities	CARE A3+	Downgraded from CARE A2

AUDITORS FEES

The total fees for all services paid by the Company to the Statutory Auditors during the year 2025-26 is as follows:

Rs. in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Payments to auditors comprises		
(net of GST/service tax input credit, where applicable):		
For Statutory audit fees	3.50	3.50
For Tax Audit	1.75	1.75
For taxation matters	1.35	1.35
For Other Services		
• Limited Review Report	1.50	1.50
• Others	1.73	1.60
Total	9.83	9.70

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND MANAGING DIRECTOR
DIN 00002450

Coimbatore
27th May, 2026

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
SHIVA MILLS LIMITED
CIN: L17111TZ2015PLC022007
Registered Office: 249-A, Bye-Pass Road, Mettupalayam Road,
Coimbatore - 641 043.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SHIVA MILLS LIMITED having CIN: L17111TZ2015PLC022007 and having registered office at 249-A, Bye-Pass Road, Mettupalayam Road, Coimbatore North - 641043 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continue as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

R Dhanasekaran
Company Secretary in Practice
FCS 7070 / CP 7745
Peer Review No. 6739/2025
ICSI UDIN: F007070H000502125

Place: Coimbatore
Date: 27th May, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Company's Business

The Company is primarily engaged in the manufacturing and marketing of cotton yarn. It operates a spinning unit located near Dindigul, Tamil Nadu, with an installed capacity of 39,072 spindles. Additionally, the Company owns 22 windmills with a total installed capacity of 10.65 MW.

Overview of the Industry

The Indian textile industry plays a vital role in the country's economic development and continues to be one of the largest contributors to employment, exports, and industrial growth. The spinning industry, being a core segment of the textile value chain, holds a significant position in India due to the Country's large cotton production base and strong yarn manufacturing capacity. India is one of the world's largest producers and exporters of cotton yarn, supplying major markets such as Bangladesh, China, Vietnam, and Europe.

The textile industry is the second-largest employment-generating sector after agriculture and contributes nearly 2% to India's GDP and around 10% to industrial production. Recent government initiatives aimed at improving cotton productivity, strengthening infrastructure, and supporting exports are expected to benefit the spinning sector over the long term. India's textile exports recorded a growth of 2.1% during FY 2025-26, demonstrating the resilience of the sector amidst global challenges

OPPORTUNITIES

The Indian cotton spinning industry is expected to witness gradual growth supported by improving domestic demand and recovery in global apparel markets. Demand for cotton yarn from export-oriented garment manufacturers and international buyers continues to improve, particularly from Bangladesh, China, and Vietnam. India's strong spinning capacity, availability of raw cotton, and integrated supply chain provide a competitive advantage in the global yarn market.

The industry is also benefiting from increasing focus on quality yarn, automation, energy-efficient manufacturing, and sustainable production practices. According to industry estimates, domestic cotton yarn demand is expected to improve during FY 2026 supported by recovery in downstream textile sectors.

SEGMENT-WISE OR PRODUCT - WISE PERFORMANCE

The Company operates under a single business segment, namely the Textile Business. The detailed performance of this segment has been provided under the section titled "Review of Operations" in the Directors' Report.

OUTLOOK

The outlook for the Indian spinning industry remains cautiously positive, supported by stable domestic consumption, improving export demand, and supportive government initiatives for the cotton sector. India continues to maintain a strong position in the global cotton yarn market due to its large spinning capacity, strong raw material base, and competitive manufacturing capabilities. However, the industry's growth remains dependent on factors such as global demand conditions, cotton crop availability, yarn realisations, and export competitiveness. Improvement in cotton productivity, favourable trade opportunities, and recovery in international textile demand are expected to support the long-term growth prospects of the spinning industry.

RISKS AND CONCERNS

The spinning industry continues to face challenges arising from volatility in cotton prices and fluctuations in cotton availability due to changing weather conditions, crop patterns, and global market dynamics. Rising costs of power, fuel, labour, logistics, and finance may adversely impact operating margins and profitability. The industry also faces intense competition from textile-producing countries such as Bangladesh, Vietnam, and China, which enjoy certain cost and trade advantages. In addition, fluctuations in foreign exchange rates, changing global trade policies, weak export demand, and supply chain disruptions may affect yarn exports and overall business performance. Shortage of skilled labour and fluctuations in yarn demand also remain key concerns for the spinning industry.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has established adequate internal control systems and procedures commensurate with the size and nature of its business for the purchase of raw materials, plant and machinery, stores and components, and for the sale of goods. These control mechanisms are designed to ensure the orderly and efficient conduct of business operations, safeguarding of assets, accuracy of financial reporting, and compliance with applicable laws and regulations. The adequacy and effectiveness of the internal control systems are periodically reviewed by the Audit Committee, and necessary improvements are implemented wherever required. The Company continuously strengthens and updates its internal control framework in line with changes in business operations, statutory requirements, and accounting practices.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the Company has been discussed in Directors' Report to the Members.

HUMAN RESOURCES

The workforce strength of the Company as on 31.3.2026 stood at 587 including administrative and management staff. The Company maintained harmonious industrial relations across its spinning and windmill unit during the Financial Year 2025-2026.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS FOR THE FINANCIAL YEAR 2025-26 AND 2024-25

Comparative key financial ratios are furnished below. The ratios for the financial year 2025-26 comparing with previous financial year 2024-25.

S.No	Type of Ratio	Parameter	2025-26	2024-25	% variance	Explanation, if any (where deviation is 25% or more)
1	Debtors Turnover Ratio	Times	6.45	6.57	(0.02)	-
2	Inventory Turnover ratio	Times	21.34	18.22	0.17	-
3	Interest Coverage Ratio	Times	(0.93)	(2.46)	62.00	Increase in EBIDTA during the Year
4	Current Ratio	Times	3.69	2.32	59.27	Effective utilization of working capital improved with higher-count yarn sales, stronger cash inflows, and an improved collection period.
5	Debt Equity Ratio	Times	0.00	0.00	-	-
6	Operating Profit Margin (%)	%	(0.29)	(1.96)	85.00	Improvement in Market Condition during the Year
7	Net Profit Margin (%)	%	(0.23)	(2.48)	(90.81)	Increase in Cash Profit during the Year

DETAILS OF ANY CHANGE IN RETURN ON NETWORTH AS COMPARED TO IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF

Return on net worth ratio for the FY 2025-26 at (-)0.40% & FY 2024-25 at (-) 4.04% due to loss as explained in the Directors' Report.

MEDIUM TERM AND LONG TERM STRATEGIES

Striving to improve quality continuously keeping in pace with technological developments. Giving priority to the requirement of customers, creating new business opportunities and to focus on value maximisation.

By Order of the Board
S V ALAGAPPAN
CHAIRMAN & MANAGING DIRECTOR
DIN 00002450

Coimbatore
27th May, 2026

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Shiva Mills Limited
(CIN: L17111TZ2015PLC022007)

I have examined the compliance of conditions of Corporate Governance by Shiva Mills Limited ('the company'), for the year ended on 31st March, 2026 as referred in Regulation 15(2) of the Securities Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015.

I further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

R. Dhanasekaran
Company Secretary in Practice
FCS 7070 / CP 7745
Peer Review No. 6739/2025
ICSI UDIN: F007070H000502081

Place : Coimbatore
Date : 27th May, 2026

DECLARATION ON CODE OF CONDUCT

The Members of
Shiva Mills Limited

In compliance with the requirements of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, I declare that the Board of Directors and members of senior management have affirmed the compliance with the code of conduct during the financial year ended 31.3.2026

By Order of the Board
S V ALAGAPPAN
CHAIRMAN & MANAGING DIRECTOR
DIN 00002450

Coimbatore
27th May, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Shiva Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Shiva Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2026, its net loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the financial statements and Auditor's Report Thereon

The Company's Management and the Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report for example, Director's Report and management analysis including annexures thereon but does not include the Financial Statements and our auditor's report thereon.

The other information is expected to be made available to us after the date of Audit Report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, as stated above, which is expected to be received after the date of our Audit Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under applicable laws and regulations.

Management's and Board of Directors Responsibilities for the Financial Statements.

The Company's Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and the Board of Directors.
- Conclude on the appropriateness of Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) evaluating the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) (A) As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;

e. On the basis of the written representations received from the directors as on March 31, 2026, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2021, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations as on March 31, 2026 on its financial position in its Financial Statements – Refer Note 32 on Contingent Liabilities to the Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(iv) a.) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 51(i) to the Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note No 51(ii) of Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause iv (a) and (b) contain any material misstatement.

(v) The Company has not proposed/paid any dividend during the year.

(vi) Based on our examination which include test checks, the company has used accounting software for maintaining its books of accounts which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail has been preserved by the company as per the statutory requirement for record retention.

(C) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act: The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Companies Act.

For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Registration No.000066S

Kaushik Sidartha
Partner
Membership No. 217964
UDIN: 26217964MVXLYP4415

Place : Coimbatore
Date : 27th May, 2026

ANNEXURE 1 TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Shiva Mills Limited on the financial statements for the year ended 31-03-2026]

In our opinion and to the best of knowledge and belief, the books of accounts and records examined by us and according to the information and explanations given to us, we report that

I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) Property, Plant and Equipment have been physically verified by the Management at reasonable intervals. No material discrepancies were noticed on such physical verification.

(c) The title deeds of all the immovable properties, recorded as property, plant and equipment and investment property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) are held in the name of the Company except for the following:

Description of Property	Gross Carrying Value As at 31.03.2026	Held in the Name of	Whether promoter, director or their relative or employee	Period held (Indicate Range wherever appropriate)	Reason for not being held in name of Company (including Dispute)
Land at Velvarkottai & Varapatti, Vadavalli & Dhanakkarkulam (Occupied by Spinning Division and windmill)	₹ 167.98 lakhs	Shiva Texyarn Limited	No	From 01-04-2015	The title deeds are in the name of Shiva Texyarn limited from which the business undertaking was demerged under Section 230 to 232 of the Companies Act, 2013 vide NCLT order dt. 23.08.2017.
Land at Varapatti Classified under Investment Property	₹ 4.94 Lakhs	Shiva Texyarn Limited	No	From 01-04-2015	The title deeds are in the name of Shiva Texyarn limited from which the business undertaking was demerged under Section 230 to 232 of the Companies Act, 2013 vide order dt. 23.08.2017.

(d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(e) There were no proceedings initiated or pending against the Company for holding any benami property under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The inventories were physically verified during the year by the Management at reasonable intervals. The coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No Discrepancies were noticed on physical verification between the physical stock and the book records that were 10% or more in the aggregate for each class of inventory.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. There are no material deviations between quarterly stock returns submitted to the bank and the unaudited books of accounts of the company for the respective quarters. Reconciliations have been provided wherever discrepancies were identified.

iii. The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

iv. The company has complied with the provision of section 185 and 186 of the Companies Act, 2013 to the extent applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2026 on account of disputes are given below:

Name of Statute	Nature of the dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum were dispute is pending	Remarks, if any
The Employees' Provident Funds & Miscellaneous Provisions Act, 1952 (EPF & MP Act)	Provident Fund	6.36*	February 2018 to September 2019	PF Commissioner II, Madurai.	*Net off amount paid- Rs.4.24 Lakhs

viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix. (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) & (f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) There were no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. The Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. (a) The Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 2026.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence, reporting under clause (xv) of the Order is not applicable.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a)&(b) of the order are not applicable.

(b) The Company is not a Core Investment Company as defined in the regulation made by RBI and hence reporting under clause (xvi)(c) of the Order is not applicable.

(c) The group does not have CIC as part of the group and accordingly reporting under clause (xvi)(d) of the order is not applicable.

xvii. The Company has not incurred any cash losses in the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The provisions of Section 135 of the Act, in relation to reporting on Corporate Social Responsibility, are not applicable to the Company during the year. Hence reporting under the Clause 3(xx)(a) & 3 (xx)(b) of the Order is not applicable.

For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Registration No.000066S

Kaushik Sidartha
Partner
Membership No. 217964
UDIN: 26217964MVXLYP4415

Place : Coimbatore
Date : 27th May, 2026

ANNEXURE 2 TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Shiva Mills Limited on the financial statements for the year ended March 31, 2026]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shiva Mills Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Registration No.000066S

Kaushik Sidartha
Partner
Membership No. 217964
UDIN: 26217964MVXLYP4415

Place : Coimbatore
Date : 27th May, 2026

Balance Sheet as at March 31, 2026

₹ in Lakhs

PARTICULARS	Note No.	As at 31.03.2026	As at 31.03.2025
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	2	5,510.21	5,917.53
(b) Capital work-in-progress	3	9.30	13.70
(c) Investment property	4	4.94	97.91
(d) Financial Assets			
(i) Investments	5	60.02	60.02
(ii) Other financials Assets	6	161.78	156.24
(e) Other non-current assets	7	17.03	50.04
Total Non - Current Assets		**5,763.28**	**6,295.44**
2 Current assets			
(a) Inventories	8	2,911.80	2,547.56
(b) Financial Assets			
(i) Trade receivables	9	1,224.58	2,691.86
(ii) Cash and cash equivalents	10	397.08	29.35
(iii) Bank Balance other than above	11	106.79	9.84
(iv) Other Financial Assets	12	21.65	1.17
(c) Other Current assets	13	302.31	262.81
Total Current Assets		**4,964.21**	**5,542.59**
Total Assets (1+2)		**10,727.49**	**11,838.03**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	14	864.18	864.18
(b) Other Equity	15	8,385.41	8,376.59
Total equity		**9,249.59**	**9,240.77**
Liabilities			
2 Non-current liabilities			
(a) Financial Liabilities			
Other Financial Liability	16	45.30	45.50
(b) Deferred tax liabilities (net)	17	127.14	159.31
(c) Other Non-Current liabilities	18	0.77	0.78
Total Non - Current Liabilities		**173.21**	**205.59**
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	-	988.58
(ii) Trade payables			
(a) Trade outstanding due of Micro and Small Enterprises	20	387.16	179.20
(b) Trade outstanding due of creditors other than of Micro and Small Enterprises		128.30	434.37
(iii) Other Financial Liabilities	21	249.93	307.92
(b) Provisions	22	453.06	429.57
(c) Other current liabilities	23	86.24	52.03
Total Current Liabilities		**1,304.69**	**2,391.67**
Total Equity and Liabilities (1+2+3)		**10,727.49**	**11,838.03**

Material accounting policies and the accompanying notes 1 to 52 are an integral part of these financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For VKS AIYER & Co
Chartered Accountants
Firm Registration No.000066S

S V ALAGAPPAN
Chairman & Managing Director
DIN: 00002450

A LALITHA
Joint Managing Director
DIN: 00003688

KAUSHIK SIDARTHA
Partner
Membership No.217964
Place: Coimbatore
Date : 27th May, 2026

R SELVARAJ
Chief Financial Officer

M SHYAMALA
Company Secretary
ACS No. 24464

Statement of Profit and Loss for the Year ended March 31, 2026

₹ in Lakhs

	PARTICULARS	Note No.	Year ended 31.03.2026	Year ended 31.03.2025
I	Revenue from operations	24	13,913.67	16,930.54
II	Other Income	25	121.12	154.49
III	**Total Income (I + II)**		**14,034.79**	**17,085.03**
IV	**EXPENSES**			
	(a) Cost of materials consumed	26	9,461.35	13,124.62
	(b) Changes in Inventories of finished goods, work-in-progress and stock in trade	27	581.70	(46.82)
	(c) Employee benefits expense	28	1,502.87	1,662.58
	(d) Finance costs	29	39.53	122.77
	(e) Depreciation and amortisation expenses	30	696.37	675.82
	(f) Other expenses	31	1,800.06	1,970.79
	Total Expenses (IV)		**14,081.88**	**17,509.76**
V	**Profit/(Loss) before tax (III - IV)**		**(47.09)**	**(424.73)**
VI	**Tax Expense**			
	(1) Current tax		-	-
	(2) Deferred tax		(38.14)	(43.61)
	Total tax expense		**(38.14)**	**(43.61)**
VII	**Profit/(Loss) for the year (V - VI)**		**(8.95)**	**(381.12)**
VIII	**Other comprehensive income/(loss)**			
	A (i) Items that will not be recycled to profit or loss			
	(a) Remeasurements of post employment benefit obligation/asset		23.73	4.72
	(b) Equity instruments through other comprehensive income		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(5.97)	(1.19)
	B Items that may be reclassified to profit or loss		-	-
	Other comprehensive income / (Loss) (VIII)		**17.76**	**3.53**
IX	**Total comprehensive income/(Loss) for the year (VII+VIII)**		**8.81**	**(377.59)**
X	**Earnings per equity share (Face value of Rs.10 Per share):**			
	Basic & Diluted (in ₹)		**(0.10)**	**(4.41)**

Material accounting policies and the accompanying notes 1 to 52 are an integral part of these financial statements

For and on behalf of the Board of Directors

In terms of our report attached

For VKS AIYER & Co
Chartered Accountants
Firm Registration No.000066S

S V ALAGAPPAN
Chairman & Managing Director
DIN: 00002450

A LALITHA
Joint Managing Director
DIN: 00003688

KAUSHIK SIDARTHA
Partner
Membership No.217964
Place: Coimbatore
Date : 27th May, 2026

R SELVARAJ
Chief Financial Officer

M SHYAMALA
Company Secretary
ACS No. 24464

Statement of Cash Flow for the year ended March 31, 2026

₹ in Lakhs

Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) for the period before tax		(47.09)		(424.73)
Adjustments for:				
Depreciation and amortisation expenses	696.37		675.82	
Finance costs	39.53		122.77	
Interest income	(12.10)		(12.51)	
Rental income	(2.16)		(3.82)	
Profit on sale of Assets	(46.62)		(19.26)	
		675.02		763.00
Operating profit / (loss) before working capital changes		**627.93**		**338.27**
Changes in working capital:				
Financial Assets				
Trade receivables	1,467.28		(699.77)	
Other financial assets	(26.01)		37.57	
Non-financial assets				
Inventories	(364.24)		597.13	
Other assets	6.84		104.28	
Adjustments for increase / (decrease) in operating liabilities:				
Financial liabilities				
Trade payables	(98.11)		59.81	
Other financial liabilities	(58.20)		39.84	
Non-financial liabilities				
Provisions	23.49		(4.45)	
Other liabilities	34.21		(67.24)	
		985.26		67.17
Cash generated from operations		1,613.19		405.44
Net income tax (paid) / refunded		10.40		(0.35)
Net cash flow from / (used in) Operating Activities (A)		**1,623.59**		**405.09**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on property plant and equipment, including capital advances	(298.11)		(317.59)	
Proceeds from Sale of Fixed Assets	33.05		36.08	
Sale/(Purchase) of Investment property	120.00		-	
Interest received	12.10		12.51	
Rent received	2.16		3.82	
Net cash flow from / (used in) Investing Activities (B)		**(130.80)**		**(265.18)**

Statement of Cash Flow (Contd...)

₹ in Lakhs

PARTICULARS	Year ended March 31, 2026		Year ended March 31, 2025	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase / (decrease) in working capital borrowings	(988.58)		(40.96)	
Finance costs paid	(39.53)		(122.77)	
Net cash flow from / (used in) Financing Activities (C)		**(1,028.11)**		**(163.73)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**464.68**		**(23.82)**
Add: Cash and bank balance at the beginning of the year		39.19		63.01
Add / (Less): Effect of exchange differences on restatement of foreign currency cash and cash equivalents		-		-
Cash and cash equivalents at the end of the year		**503.87**		**39.19**
Items not considered as Cash and Cash Equivalents (Refer Note No 11)		(106.79)		(9.84)
Cash and cash equivalents at the end of the year		**397.08**		**29.35**

Changes in Liability arising from financing activities, disclosing changes arising from Cash and Non Cash Flow:

As on 31-03-2026

Particulars	Current Borrowings
Opening Balance as at April 1, 2025	988.58
Cash Flows (Net) - Proceeds / (Repayment)	(988.58)
Closing Balance as at March 31,2026	-
Opening Balance as at April 1, 2024	**1,029.54**
Cash Flows (Net) - Proceeds / (Repayment)	(40.96)
Closing Balance as at March 31,2025	**988.58**

Material accounting policies and the accompanying notes 1 to 52 are an integral part of these financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For VKS AIYER & Co
Chartered Accountants
Firm Registration No.000066S

KAUSHIK SIDARTHA
Partner
Membership No.217964
Place: Coimbatore
Date : 27th May, 2026

S V ALAGAPPAN
Chairman & Managing Director
DIN: 00002450

A LALITHA
Joint Managing Director
DIN: 00003688

R SELVARAJ
Chief Financial Officer

M SHYAMALA
Company Secretary
ACS No. 24464

Statement of changes in equity for the year ended March 31, 2026

(a) **Equity share capital**

Particulars	₹ in Lakhs
Balance at the April 1, 2025	864.18
Chagnes during the year	-
Balance as at March 31,2026	**864.18**

(b) **Other Equity**

₹ in Lakhs

Particulars	General Reserve	Retained earnings (defecit)	Remeasurement of the defined benefit liabilities/(asset) net of tax	Total other equity
Balance at the April 01, 2024	**5,346.54**	**3,368.66**	**38.98**	**8,754.18**
Add :Profit/(Loss) for the year	-	(381.12)	-	(381.12)
Add/Less:Remeasurement of the net defined benefit liability/asset, net of taxes			3.53	3.53
Balance as at March 31,2025	**5,346.54**	**2,987.54**	**42.51**	**8,376.59**
Balance at the April 01, 2025	**5,346.54**	**2,987.54**	**42.51**	**8,376.59**
Add :Profit/(Loss) for the year	-	(8.95)	-	(8.95)
Add/Less:Remeasurement of the net defined benefit liability/asset, net of taxes			17.77	17.77
Balance as at March 31,2026	**5,346.54**	**2,978.59**	**60.28**	**8,385.41**

Material accounting policies and the accompanying notes 1 to 52 are an integral part of these financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For VKS AIYER & Co
Chartered Accountants
Firm Registration No.000066S

S V ALAGAPPAN
Chairman & Managing Director
DIN: 00002450

A LALITHA
Joint Managing Director
DIN: 00003688

KAUSHIK SIDARTHA
Partner
Membership No.217964
Place: Coimbatore
Date : 27th May, 2026

R SELVARAJ
Chief Financial Officer

M SHYAMALA
Company Secretary
ACS No. 24464

Notes to the financial statements for the year ended March 31, 2026

Particulars

1 General Corporate Information

Shiva Mills Limited ("the Company") is a public limited Company with its registered office at 249 A Bye-Pass Road, Mettupalayam Road, Coimbatore and factory at Dindigul, Tamil Nadu, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is engaged in the manufacturer of cotton yarn.

The Company's financial statements were authorised for issue in accordance with the resolution of the Board of Directors on 27th May, 2026

A Basis of accounting and preparation of financial statements

(i) State of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statement have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

(ii) Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for the following:

(a) certain financial assets and liabilities that are measured at fair value and

(b) defined benefit plans – plan assets measured at fair value

B Use of estimates

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

b) Employee Benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

C Material Accounting Policies

This material accounting policies applied by the Company in the preparation of its financial statements are listed below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Sl.No.	Material Accounting Policy	Reference in financial Statement
1	Inventories	Note no.8
2	Property, plant and equipment, CWIP	Note no.2
3	Revenue recognition	Note no.24
4	Other income	Note no.25
5	Provisions and contingencies	Note no.22 & Note 32
6	Financial Instruments	Note no. 39 to Note no. 41

1.1 Inventories

Inventories are valued at lower of cost and net realisable value. Cost of raw materials, Packing materials, Stores and Spares and consumables are valued at Cost on weighted average cost basis. Value of finished goods are valued at cost or NRV whichever is lower and work-in-progress are determined on weighted average cost basis and include appropriate share of overheads.

1.2 Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss. Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation commences when the assets are ready for their intended use. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The Company has used the following useful lives to provide depreciation on its Property, Plant and Equipment

Class of Assets	Useful Lives
Factory Buildings	30 Years
Non-Factory Buildings,	60 Years
Plant & Machinery & Equipment's (Continuous process plant)	25 Years
Plant and machinery	15 Years
Plant and machinery (Second hand)	7.5 Years
Furniture and Fittings	10 years
Lab Equipments	10 years
Motor Vehicles	8 Years
Motor Vehicles (Second Hand)	4 Years
Electrical Installations	10 Years
Office Equipment's	5 Years
Computer	3 Years
Fences, wells, tube wells	3 Years

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

1.3 Revenue Recognition

a) Sale of goods

Revenue from customers is recognised when the Company satisfies performance obligation when control of goods is transferred to the customer which is usually on despatch or delivery. Revenue is measured based on transaction price adjusted for volume based price discount, price concessions and net off returns.

b) Sale of services

The Company recognises revenue when the significant terms of the arrangement are enforceable, services have been rendered and the collectability is reasonably assured.

c) Other operating revenue

Other operating revenue comprising of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established.

1.4 Other income

Interest

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

1.5 Provisions and contingencies

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the Notes.

1.6 Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Equity investments (other than investments in subsidiaries and joint ventures):

All equity investments within the scope of Ind AS 109, 'Financial Instruments', are measured at fair value either through Statement of Profit and Loss or other comprehensive income. The Company makes an irrevocable election to present in OCI the subsequent changes in the fair value on an instrument-by-instrument basis. The classification is made on initial recognition.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in the OCI. Any gains or losses on de-recognition is recognised in the OCI and are not recycled to the Statement of Profit or Loss. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and Loss.

1.7 Change / Amendment in Accounting Standards :

Several amendments and interpretation apply for the first time for the annual periods beginning on or after 1st April 2025. These standards do not have impact on the financial statements of the Company.

Notes to the financial statements for the year ended March 31, 2026

2. Property, Plant and equipment

₹ in Lakhs

Description of Assets	Freehold Land	Building	Plant and Machinery	Office Equipment	Furniture & Fittings	Vehicles	Computers	Lab Equipments	Electrical Installations	Total
I. Gross Carrying Value										
Balance as at April 1, 2024	167.98	1,735.47	8,471.26	40.19	27.63	61.37	20.46	12.42	89.17	10,625.95
Additions			309.29	0.43		-	0.63			310.35
Reclassification to Investment Property						-				-
Disposals/Discarded			(225.36)			-				(225.36)
Balance as at March 31,2025	**167.98**	**1,735.47**	**8,555.19**	**40.62**	**27.63**	**61.37**	**21.09**	**12.42**	**89.17**	**10,710.94**
Additions			301.71	0.81			-			302.52
Reclassification to Investment Property						-				-
Disposals/Discarded			(154.98)			(18.68)				(173.66)
Balance as at March 31,2026	**167.98**	**1,735.47**	**8,701.92**	**41.43**	**27.63**	**42.69**	**21.09**	**12.42**	**89.17**	**10,839.80**
II. Accumulated depreciation and impairment										
Balance as at April 1, 2024	**-**	**507.38**	**3,646.96**	**35.43**	**15.25**	**47.95**	**17.58**	**7.77**	**49.43**	**4,327.75**
Depreciation / amortisation expense for the year	-	65.11	590.95	0.80	1.90	4.71	1.46	0.86	8.41	674.20
Withdrawn			(208.54)			-				(208.54)
Balance as at March 31,2025	**-**	**572.49**	**4,029.37**	**36.23**	**17.15**	**52.66**	**19.04**	**8.63**	**57.84**	**4,793.41**
Depreciation / amortisation expense for the year	-	54.21	627.22	0.76	1.87	1.38	0.71	0.86	8.26	695.27
Withdrawn			(141.35)			(17.74)				(159.09)
Balance as at March 31,2026	**-**	**626.70**	**4,515.24**	**36.99**	**19.02**	**36.30**	**19.75**	**9.49**	**66.10**	**5,329.59**
Net block (I-II)										
Net Carrying Value as at March 31,2025	**167.98**	**1,162.98**	**4,525.82**	**4.39**	**10.48**	**8.71**	**2.05**	**3.79**	**31.33**	**5,917.53**
Net Carrying Value as at March 31,2026	**167.98**	**1,108.77**	**4,186.68**	**4.44**	**8.61**	**6.39**	**1.34**	**2.93**	**23.07**	**5,510.21**

(i)Certain property, plant and equipments have been given as security against borrowings availed by the company (refer Note No.19)

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

(ii) Details of immovable properties not held in the name of Company.

Particulars	Total Number of Cases	Leasehold / Freehold	Gross Block & Net block as on March 31, 2026	Reason for not being held in the of Company
Land at Velvarkottai & Varapatti, Vadavalli, Dhanakkarkulam (Occupied by Spinning Division and Windmill)	46 Documents	Freehold	Rs.167.98 Lakhs	The title deeds in the name of Shiva Texyarn limited from which the business undertaking was demerged under Section 230 to 232 of the Companies Act, 2013 vide NCLT order dt. 23.08.2017.

3. Capital work-in-progress as on March 31, 2026

Particulars	For the year ended March,31,2026	For the year ended March,31,2025
Balance at the beginning	13.70	6.46
Additions	315.04	317.59
Capitalised during the year	319.44	310.35
Balance at the end	**9.30**	**13.70**

Ageing of Capital work-in-progress is as below

Particulars	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9.30	-	-	-	9.30
Projects temporarily suspended	-	-	-	-	
Balance as at March 31,2026	**9.30**	**-**	**-**	**-**	**9.30**
Projects in progress	13.70	-	-	-	13.70
Projects temporarily suspended	-	-	-	-	
Balance as at March 31,2025	**13.70**	**-**	**-**	**-**	**13.70**

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

Non-current assets

4. Investment Property

Particulars	Land	Building	Total
Gross Carrying Value			
As at 1st April, 2024	**16.62**	**102.08**	**118.70**
Additions	-	-	-
Disposals	-	-	-
As at 31st March, 2025	**16.62**	**102.08**	**118.70**
Additions	-	-	-
Disposals	11.68	102.08	113.76
As at 31st March, 2026	**4.94**	**-**	**4.94**
Accumulated Depreciation			
As at 1st April, 2024	**-**	**19.17**	**19.17**
Additions	-	1.62	1.62
Disposals	-	-	-
As at 31st March, 2025	**-**	**20.79**	**20.79**
Additions	-	1.11	1.11
Disposals	-	21.90	21.90
As at 31st March, 2026	**-**	**-**	**-**
Net Carrying Value			
As at 31st March, 2025	**16.62**	**81.29**	**97.91**
As at 31st March, 2026	**4.94**	**-**	**4.94**

The Company has identified land & building to be in the nature of investment property as they are being held to earn rentals.
(i) Amount recognised in the Statement of Profit and Loss for Investment Properties:

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Rental Income	2.16	3.81
Direct operating expenses arising from investment property that generated rental income during the year		
Less: Depreciation Expense	1.11	1.62
Less: Property Tax Paid	0.14	0.15
Less: Repairs & Maintenance- Building	-	-
Profit / (Loss) from Investment Property	**0.91**	**2.04**

(ii)The fair value of the Investment property is based on the guideline value of the property based on Tamilnadu Registry. The Management believes that the fair value of the investment property as at the balance sheet would not be significantly different from guideline value.

Fair value of investment property

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Land	80.56	113.32
Building	-	85.27

(iii) Contractual obligations to construct investment property or for Repairs & Maintenance or enhancement - Rs. Nil (Previous year - Rs.Nil)

Notes to the financial statements for the year ended March 31, 2026

Financial Assets

₹ in Lakhs

Details of immovable properties not held in the name of Company:

Particulars	Gross Block & Net block as on March 31, 2026	Held in the Name of	Whether promotor, director or their relative or employee	Period Held (Indicate range wherever appropirate)	Reason for not being held in name of Company
Land at Varapatti Classified under Investment in Property	Rs.4.94 Lakhs	M/s.Shiva Texyarn Ltd	No	From 01.04.2015	The title deeds in the name of Shiva Texyarn limited from which the business undertaking was demerged under Section 230 to 232 of the Companies Act, 2013 vide NCLT order dt. 23.08.2017.

Financial Assets

5. Investments

Particulars	As at 31.03.2026	As at 31.03.2025
I. Quoted Investments (fully paid)	-	-
II. Unquoted Investments (fully paid)		
Investments carried at fair value through other comprehensive income		
Investments in Equity Instruments - Others		
a. 6,00,000 Equity shares of Nellai Renewables Private Limited of Rs.10 Each (Holding 0.68% of total shares)	60.00	60.00
b. Government Securities	0.02	0.02
Total Unquoted Investments	**60.02**	**60.02**
Total Investments (I+II)	**60.02**	**60.02**
Aggregate amount of unquoted investments	60.02	60.02
Aggregate market value of unquoted investments	60.02	60.02

The Investments in level 3 hierarchy has been valued at cost approach to arrive at the fair values as there is a wide range of possible fair value measurements and the cost represents the estimate of fair value within that range considering the purpose and restriction on the transferability of the instruments.

6. Other financials Assets

Particulars	As at 31.03.2026	As at 31.03.2025
Security Deposits	158.54	153.00
Other Rental advances	3.24	3.24
Total	**161.78**	**156.24**

7. Other non-current assets

Particulars	As at 31.03.2026	As at 31.03.2025
Capital Advances	4.30	38.54
Other Advances	0.24	0.41
Deposits	4.33	4.33
Advance Tax and TDS	8.16	6.76
Total	**17.03**	**50.04**

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

8. Inventories

Particulars	As at 31.03.2026	As at 31.03.2025
Raw Materials	1,942.35	1,004.01
Work-in-progress	266.53	191.73
Finished Goods	264.27	920.89
Waste Cotton	81.04	80.93
Goods in Transit -Cotton	304.28	295.96
Stores and Spares	76.03	76.74
	2,934.50	2,570.26
less: Provision for Spares	22.70	22.70
Total	**2,911.80**	**2,547.56**

Note:

(I) For method of valuation of inventories, refer material Accounting Policy No 1.1

(ii) Inventories with the above mentioned carrying amount have been pledged as security against certain bank borrowings of the Company (Refer note 19)

(iii) Cost of inventory recognised as an expense :

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Cost of materials consumed	9,461.35	13,124.62
Consumption of Stores & Spare parts	106.92	124.97

Financial Assets

9. Trade receivables

Particulars	As at 31.03.2026	As at 31.03.2025
(a) Considered good - Unsecured	1,227.63	2,694.91
(b) Credit impaired	-	-
	1,227.63	**2,694.91**
Less : **Provision for Doubtful Debts - ECL**		
Allowance for Expected credit loss (Refer Note below)	3.05	3.05
	3.05	**3.05**
Total	**1,224.58**	**2,691.86**

Note: Movement in allowances for credit losses of receivable is as below

Particulars	As at 31.03.2026	As at 31.03.2025
Opening balance	3.05	12.45
Add: Provision made during the year	-	-
Less : Reversed during the year	-	9.40
Closing balance	**3.05**	**3.05**

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

9 (i) Ageing schedule of trade receivables is as below

As at March 31, 2026

Particulars	Not due	Outstanding for following period from due date of invoice					Total
		Less than 6 months	6 month -1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	449.89	720.61	55.48	1.65	-	-	1,227.63
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Sub Total	**449.89**	**720.61**	**55.48**	**-**	**-**	**-**	**1,227.63**
Less : Allowance for Expected Credit Loss							3.05
Total							**1,224.58**

As at March 31, 2025

Particulars	Not due	Outstanding for following period from due date of invoice					Total
		Less than 6 months	6 month -1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	1,200.29	1,482.16	12.46				2,694.91
(ii) Undisputed Trade Receivables - which have significant increase in credit risk							-
(iii) Undisputed Trade Receivables - credit impaired							
(iv) Disputed Trade Receivables - considered good							
(v) Disputed Trade Receivables - which have significant increase in credit risk							
(vi) Disputed Trade Receivables - credit impaired							
Sub Total	**1,200.29**	**1,482.16**	**12.46**	**-**	**-**	**-**	**2,694.91**
Less : Allowance for Expected Credit Loss							3.05
Total							**2,691.86**

9.(ii) The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. Based on such estimates, no provision for credit risk has been made.

9.(iii) Trade receivables have been given as primary securities towards borrowings (Refer note.19)

10 Cash and Cash Equivalents

Particulars	As at 31.03.2026	As at 31.03.2025
(a) Cash on hand	1.12	0.75
(b) Balances with banks :		
(i) Current accounts with debit balance	195.96	28.60
(ii) Deposits*	200.00	-
Total	**397.08**	**29.35**

* Deposits with banks with original maturity of 3 months or less.

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

11. Bank Balance other than above

Particulars	As at 31.03.2026	As at 31.03.2025
Earmarked balances		
In Unclaimed dividend accounts	6.79	9.84
Deposits	100.00	-
Total	**106.79**	**9.84**

12. Other financial assets

Particulars	As at 31.03.2026	As at 31.03.2025
Unsecured considered good		
Employee Advance	2.83	1.17
Accrued Banked Units	18.82	-
Total	**21.65**	**1.17**

13. Other Current Assets

Particulars	As at 31.03.2026	As at 31.03.2025
Unsecured and considered good		
GST - Input tax credit receivable	136.53	144.75
Prepayment Expenses	51.05	48.66
Gratuity Contribution	15.07	0.17
Advance to Suppliers	89.06	58.98
Accured income	10.60	10.25
Total	**302.31**	**262.81**

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

14. Equity Share Capital

Particulars	As at 31.03.2026		As at 31.03.2025	
	Numbers of Shares	₹ in Lakhs	Numbers of Shares	₹ in Lakhs
(a) **Authorised:**				
Equity Share Capital				
Equity Shares of Rs.10/- each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Total	**1,50,00,000**	**1,500.00**	**1,50,00,000**	**1,500.00**
(b) **Issued, Subscribed and Fully paid-up:**				
Equity shares of Rs. 10/- each	86,41,808	864.18	86,41,808	864.18
Total	**86,41,808**	**864.18**	**86,41,808**	**864.18**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31.03.2026		As at 31.03.2025	
	Numbers of Shares	₹ in Lakhs	Numbers of Shares	₹ in Lakhs
Equity shares of ₹ 10/- each				
At the beginning of the year	86,41,808	864.18	86,41,808	864.18
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**86,41,808**	**864.18**	**86,41,808**	**864.18**

(ii) Terms / rights attached to the Equity Shares:

The Company has issued only one class of equity share having a face value of Rs. 10/- per share. The holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential creditors and other creditors, in the order of priority. The distribution will be in proportion to the number of equity shares held by shareholders. The company declares and pays dividend in Indian Rupees. Board of Directors have not recommended dividend during the year.

(iii) Details of shareholders holding more than 5% of the share capital:

Equity Shares

Particulars	As at 31.03.2026		As at 31.03.2025	
	Numbers of Shares held	% of holding	Numbers of Shares held	% of holding
Annamallai Retreading Company Private Limited	62,36,976	72.17%	62,36,976	72.17%

(iv) 86,41,808 shares were alloted consequent to a scheme of demerger approved by NCLT vide orderded dated 23.08.2017

(v) Shares held by promoters

Promoter name	Numbers of Shares as at 31.03.2026	% of total shares	Numbers of Shares as at 31.03.2025	% of total shares	% change during the year
1. S V Alagappan	21,780	0.25%	21,780	0.25%	-
2. A Shenbagam	3,480	0.04%	3,480	0.04%	-
3. A Lalitha	2,13,680	2.47%	2,13,680	2.47%	-
4. Annamalali Retreading Company P Ltd	62,36,976	72.17%	62,36,976	72.17%	-
Total	**64,75,916**	**74.94%**	**64,75,916**	**74.94%**	**-**

Notes to the financial statements for the year ended March 31, 2026

(vi) Shares held by holding Company:

₹ in Lakhs

Name of the shareholder	As at 31.03.2026	
	% of Shares	No. of Shares
Annamallai Retreading Company (P) Ltd	72.17%	62,36,976

15. Other Equity

Particulars	As at 31.03.2026	As at 31.03.2025
(a) General Reserve	**5,346.54**	**5,346.54**
(b) Retained Earnings		
Opening Balance	2,987.54	3,368.66
Add : Profit/(Loss) for the year	(8.95)	(381.12)
Less : Dividend Paid on Equity Shares	-	-
Closing balance	**2,978.59**	**2,987.54**
(c) Other comprehensive income		
Opening	42.51	38.98
Addtion/(Deletion) during the year	17.76	3.53
Closing Balance	**60.27**	**42.51**
Total other equity	**8,385.41**	**8,376.59**

Non-current Liabilities

16. Financial Liabilities

Particulars	As at 31.03.2026	As at 31.03.2025
Rent Deposit	-	3.00
Security Deposits Received	45.30	42.50
Total	**45.30**	**45.50**

17. Deferred tax liabilities (Net)

Particulars	As at 31.03.2026	As at 31.03.2025
(a) Deferred tax liabilities		
Opening balance	169.45	215.35
Add: Additions during the year	5.97	1.19
Less: Reversed during the year	38.14	47.09
Closing balance (a)	**137.28**	**169.45**
(b) Deferred tax assets:		
Opening balance	10.14	13.62
Add: Additions during the year	-	(3.48)
Less: Reversed during the year	-	-
Closing balance (b)	**10.14**	**10.14**
Deferred tax liabilities (Net) (a)-(b)	**127.14**	**159.31**

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

18. Other Non- Current liabilities

Particulars	As at 31.03.2026	As at 31.03.2025
Income received in advance	0.77	0.78
Total	**0.77**	**0.78**

Current Liabilities

Financial Liabilities

19. Borrowings

Particulars	As at 31.03.2026	As at 31.03.2025
Working capital loan from banks (Secured) (Refer Note 1 below)	-	988.58
Total	**-**	**988.58**

Note 1

Particulars	As at 31.03.2026	As at 31.03.2025
Cash Credit		
(i) ICICI Bank Ltd	-	519.42
(ii) Indian Overseas Bank	-	469.16
Total	**-**	**988.58**

Name of the Bankers	Security
(i) ICICI Bank Ltd (ii) Indian Overseas Bank	1. First pari-pasu charge on the entire current assets of the spinning Unit of the Company. 2. Second Charge pari pasu charge on the Fixed assets of the spinning unit of the Company

(a) Working Capital loan carry interest ranging from 8.34% to 9.55%

(b) In respect of borrowings made during the year, the charge on the assets given as security to the lender have been created on time in compliance of the regulatory requirements

(c) The quarterly returns or statements filed by the Company with such banks or financial institutions are agreeing with the unaudited books of account of the Company of the respective quarters and there are no material deviations.

20. Trade payables

Particulars	As at 31.03.2026	As at 31.03.2025
(a) Trade outstanding due of Micro and Small Enterprises	387.16	179.20
(b) Trade outstanding due of creditors other than of Micro and Small Enterprises	128.30	434.37
Total	**515.46**	**613.57**

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

Ageing schedule of trade payable is as below

As at 31.03.2026

Particulars	Outstanding for following period from the due date of Invoice					
	Not due	Less than 1 year	1-2 years	2-3 years	More 2 years	Total
(i) Micro and Small Enterprises	387.16	-	-	-	-	387.16
(ii) Others	128.30	-	-	-	-	128.30
(iii) Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total Trade Payables	**515.46**	**-**	**-**	**-**	**-**	**515.46**

As at 31.03.2025

Particulars	Outstanding for following period from the due date of Invoice					
	Not due	Less than 1 year	1-2 years	2-3 years	More 2 years	Total
(i) Micro and Small Enterprises	179.20	-	-	-	-	179.20
(ii) Others	434.37	-	-	-	-	434.37
(iii) Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total Trade Payables	**613.57**	**-**	**-**	**-**	**-**	**613.57**

21. Other financial liabilities

Particulars	As at 31.03.2026	As at 31.03.2025
Employee Benefit Expense Payable	92.55	99.02
Unpaid / Unclaimed Dividend	6.79	9.84
Expenses Payable	150.59	199.06
Total	**249.93**	**307.92**

22. Provisions

Particulars	As at 31.03.2026	As at 31.03.2025
Provision for Bonus	33.72	37.23
Others (Provision for Legal Cases)	419.34	392.34
Total	**453.06**	**429.57**

23. Other Current Liabilities

Particulars	As at 31.03.2026	As at 31.03.2025
Statutory remittances	17.42	19.40
Expenses Payable	12.31	21.52
Advance from Customers	56.51	5.19
Interest accured on short term Borrowings	-	5.92
Total	**86.24**	**52.03**

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

24. Revenue from operations

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
(a) **Sale of Manufactured goods**		
(i) Yarn	12,632.27	15,377.50
(ii) Waste Cotton	1,246.42	1,476.41
	13,878.69	**16,853.91**
(b) Other operating revenues		
(i) Freight and Forwarding Charges Collection	34.98	70.17
(ii) Fabric Sales	-	6.46
	34.98	**76.63**
Total	**13,913.67**	**16,930.54**

25. Other income

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
(a) Interest income	12.10	12.51
(b) Other non-operating income		
(i) Sale of Electricity	18.83	-
(ii) Rental Income	2.16	3.82
(iii) Other Miscellaneous Income	28.36	24.50
(iv) Profit of Sale of Asset	46.62	19.27
(v) Tuff Interest received	-	15.86
(vi) Provision no longer required	13.05	78.53
Total	**121.12**	**154.49**

26. Cost of materials consumed

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Opening stock		
Raw Materials	1,004.01	1,934.41
Add: Purchases	10,399.69	12,194.22
	11,403.70	**14,128.63**
Less: Closing stock		
Raw Materials	1,942.35	1,004.01
Cost of material consumed	**9,461.35**	**13,124.62**
Material consumed comprises:		
Cotton	9,461.35	13,124.62
Total	**9,461.35**	**13,124.62**

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

27. Changes in inventories of finished goods, work-in-progress and stock in trade

	For the year ended March 31 2026	For the year ended March 31 2025
Inventories at the end of the year:		
Finished goods	264.27	920.89
Work-in-progress-Yarn	266.54	191.73
Waste cotton	81.04	80.93
	611.85	**1,193.55**
Inventories at the beginning of the year:		
Finished goods	920.89	767.26
Work-in-progress-Yarn	191.73	257.17
Waste-cotton	80.93	122.30
	1,193.55	**1,146.73**
Net (increase) / decrease	**581.70**	**(46.82)**

28. Employee benefits expense

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Salaries, wages and bonus	1,272.57	1,414.55
Contributions to provident and other funds	121.47	133.58
Staff welfare expenses	108.83	114.45
Total	**1,502.87**	**1,662.58**

29. Finance costs

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Interest expense on financial liabilities at amortised cost:		
(i) Borrowings	33.33	113.51
(ii) Other borrowing costs	6.20	9.26
Total	**39.53**	**122.77**

30. Depreciation & Amortisation Expenses

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Depreciation on Property Plant & Equipment - Refer note no: 2	695.26	674.20
Depreciation on Investment in Property -Refer note no. 4	1.11	1.62
Total	**696.37**	**675.82**

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

31. Other expenses

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Consumption of stores and spare parts	106.92	124.97
Power, fuel and water charges	730.15	831.03
Rent including lease rentals	5.53	5.53
Repairs and Maintenance - Building	34.99	30.08
Repairs and Maintenance - Machinery	559.28	568.05
Repairs and Maintenance - Others	19.78	28.29
Insurance	62.10	59.80
Rates and Taxes	35.83	34.28
Bank Charges	1.74	1.54
Communication expenses	6.90	6.77
Travelling and Conveyance	21.26	16.74
Printing & Stationery	4.84	6.48
Freight and Forwarding Charges	35.82	69.63
Selling Expenses	102.78	112.42
Director's sitting fee	7.20	9.80
Business Promotion Expenses	2.17	2.70
Legal and Professional charges	21.61	23.36
Payments to Auditors (refer note 1 below)	9.83	9.70
Provision for Non Moving stores and spares	-	8.21
Miscellaneous Expenses	31.33	21.41
Total	**1,800.06**	**1,970.79**

Note 1 - Payments to auditors:

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Payments to auditors comprises :		
For Statutory audit fees	3.50	3.50
For Tax Audit	1.75	1.75
For Taxation matters	1.35	1.35
For other services		
Limited Review Report	1.50	1.50
Others	1.73	1.60
Total	**9.83**	**9.70**

₹ in Lakhs

Additional information to the financial statements

32. Contingent liabilities and commitments (to the extent not provided for)

Note No.	Particulars	As at 31.03.2026	As at 31.03.2025
(i)	Contingent liabilities:		
	a) Disputed claims of TANGEDCO as part of energy supply	52.17	52.17
	b) Disputed Claims of Service Tax	-	1.19
(ii)	Capital Commitments	176.46	561.84
(iii)	Bank Guarantee	18.74	18.74

33. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31.03.2026	As at 31.03.2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	387.16	179.20
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Management.

The Company has disclosed the suppliers who have registered themselves under "Micro, Small and Medium Enterprises Development Act, 2006" to the extent they have confirmed.

₹ in Lakhs

34. Employee benefit plans

34 (a) Defined contribution plans - provident fund and employee state insurance

The Company makes Provident Fund and Employee state insurance scheme contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following contributions in the Statement of profit and loss.

Particulars	For the year ended March 31 2026	For the yearended March 31 2025
Provident fund	74.79	83.20
Employee state insurance	20.30	23.07

Particulars	For the year ended March 31 2026	For the yearended March 31 2025
PF and Gratuity contribution towards Key Managerial Personnel	9.17	9.19

34. b. Defined benefit plan - gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity plan). The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn eligible salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a fund managed by the Insurer included as part of 'Contribution to provident and other funds' in Note 28 Employee benefit expense. Under this plan, the settlement obligation remains with the Company.

Description of Risk Exposures Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

i. **Interest Rate Risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

ii. **Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

iii. **Salary Escalation Risk:** The present vaalue of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

iv. **Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

v. **Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availabilty of enough cash/cashequivalent to meet the liabilities or holding of illiquid assets not being sold in time.

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2026 by actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

The following table sets out the funded status of the gratuity scheme:

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Components of employer expense		
Current service cost	20.82	22.19
Past service cost	-	-
Interest cost	15.29	14.71
Admin Expenses/Taxes Paid from plan assets	-	-
Expected return on plan assets	(15.70)	(15.42)
Recognised in statement of profit and loss	20.41	21.48
Re-measurement - actuarial (gain)/loss recognised in OCI	(23.74)	(4.71)
Total expense recognised in the Statement of total comprehensive income	**(3.33)**	**16.77**
Other Comprehensive Income (OCI)		
Actuarial (gain)/loss due to DBO experience	(14.04)	(12.52)
Actuarial (gain)/loss due to Demographic assumtions changes in DBO	-	-
Actuarial (gain)/loss due to DBO assumption changes	(10.01)	6.96
Actuarial (gain)/loss arising during period	(24.05)	(5.56)
Actual return on plan assets (greater)/less interest on plan assets	0.31	0.85
Actuarial (gains)/ losses recognized in OCI	**(23.74)**	**(4.71)**
Defined Benefit Cost		
Service cost	20.82	22.19
Admin Expenses/Taxes Paid from plan assets		
Net interest on net defined benefit liability / (asset)	(0.41)	(0.71)
Actuarial (gains)/ losses recognized in OCI	(23.74)	(4.71)
Defined Benefit Cost	**(3.33)**	**16.77**
Change in defined benefit obligation (DBO) during the year		
Present value of DBO at beginning of the year	232.57	228.98
Current service cost	20.82	22.19
Past service cost	-	-
Interest cost	15.29	14.71
Actuarial (gains) / losses	(24.05)	(5.56)
Acqutions/Divestures/Transfer	-	-
Benefits paid	(17.96)	(27.76)
Present value of DBO at the end of the year	**226.67**	**232.57**
Actual contribution and benefit payments for year		
Actual benefit payments	17.96	27.76
Actual contributions	11.57	13.01
Change in fair value of assets during the year		
Plan assets at beginning of the year	**232.73**	**232.91**

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Expected return on plan assets	15.70	15.42
Actual company contributions	11.57	13.01
Transfer Out/Divestures		
Admin Expenses/Taxes Paid from plan assets		
Actuarial gain / (loss)	(0.31)	(0.85)
Benefits paid	(17.96)	(27.76)
Plan assets at the end of the year	**241.73**	**232.74**
Actual return on plan assets	15.39	14.57
Current and Non Current Liability portion		
Current and Non Current Liability portion		
Current Asset/ (Liability)	15.06	0.17
Non Current Asset/ (Liability)		-
Net Asset/(Liability)	**15.06**	**0.17**
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	226.67	232.57
Fair value of plan assets	241.73	232.74
Funded status [Surplus / (Deficit)]	15.06	0.17
Net asset / (liability) recognised in the Balance Sheet	**15.06**	**0.17**
Composition of the plan assets is as follows:		
Insurer managed funds*	100%	100%
*Funds are managed by Life Insurance Corporation of India and composition of the fund as at the balance sheet date was not provided by the insurer.		
Actuarial assumptions		
Discount rate	7.59%	6.84%
Expected return on plan assets	6.84%	7.23%
Salary escalation	7.00%	7.00%
Attrition rate	5.00%	5.00%

Disclosures under Accounting Standards (contd...)

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

Gratuity Plan	March 31, 2026	March 31,2025
Estimate value of obligation if discount rate is taken 1% higher	213.38	217.14
Estimated value of obligation if discount rate is taken 1% lower	241.93	250.43
Estimate value of obligation if salary growth rate is taken 1% higher	241.23	249.41
Estimate value of obligation if salary growth rate is taken 1% lower	213.79	217.80
Estimate value of obligation if attrition rate is taken 1% higher	226.24	231.39
Estimate value of obligation if attrition rate is taken 1% lower	227.12	233.88
Estimate value of obligation if mortality rate is taken 10% upper	226.65	232.53
Estimate value of obligation if mortality rate is taken 10% Lower	226.68	-
Effect of No Ceiling	-	299.80
Effect of 50 % increase in Ceiling	244.80	-

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Maturity profile of defined benefit obligation:

Maturity profile, if it ensues	As at 31.03.2026
Year 1	17.58
Year 2	23.42
Year 3	44.56
Year 4	20.75
Year 5	8.94
Year 6-10 Years	76.49
Above 10 Years	264.79

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

₹ in Lakhs

35. Segment Reporting

(a) Primary Business Segment Information

The company's business relates to single segment only i.e, Textiles. Accordingly, this is the only reportable business segment.

(b) Secondary Geographic Segment Information

The information relating to geographical revenue and non-current asset has been disclosed below :

i) Revenue from Operations - based on location of the customer

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Within India	13,913.67	16,930.54
Outside India	-	-
Total	**13,913.67**	**16,930.54**

ii) Non current assets

Non-current assets other than financial instruments, deferred tax asset, post-employment benefit asset and rights arising under insurance contracts based on location of the assets.

Particulars	As at 31.03.2026	As at 31.03.2025
Within India	5,541.48	6,079.18
Outside India	-	-
Total	**5,541.48**	**6,079.18**

36. Related Party Disclosures :

(i) List of related parties with whom transactions have taken place during the year 2025-26 and relationship:

(a) Holding Company :	Annamallai Retreading Company Private Limited
(b) Subsidiary Company :	Nil
(c) Key Management Personnel	Sri S V Alagappan, Managing Director Sri R Selvaraj, Chief Financial Officer Smt M Shyamala, Company Secretary
(d) Other related parties - Directors	Smt A Lalitha, Joint Managing Director Sri S K Sundararaman, Non Independent Director Sri S Palaniswami, Independent Director Sri C Sivasamy, Independent Director Sri M Ganeshkumar, Independent Director Sri K Manikandan, Independent Director
(e) Others: (Enterprises in which the key management personnel or relatives have significant influence)	Anamallais Motors Private Limited Shiva Automobiles Private Limited Coimbatore Anamallais Agencies Private Limited Sakthi Murugan Transports Private Limited Bannari Amman Automobiles Private Limited Shiva Texyarn Limited Bannari Amman Spinning Mills Limited Anamallais Automobiles Private Limited

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

(ii) Related Party Transactions:

Name of Transactions	FY 2025-26		FY 2024-25	
	KMP	Others	KMP	Others
Purchase/Sale of goods and services				
Anamallais Motors Private Limited		0.24		0.10
Shiva Automobiles Private Limited		0.34		3.22
Bannari Amman Automobiles Private Limited		0.09		0.61
Coimbatore Anamallais Agencies Private Limited		0.72		2.63
Sakthi Murugan Transports Private Limited		2.79		2.64
Anamallais Automobiles Private Limited		0.25		0.27
Bannari Amman Spinning Mills Limited		406.12		158.57
Shiva Texyarn Limited		27.37		-
Sale of Property				
Shiva Texyarn Limited		120.00		-
Sitting fees to Independent Directors		7.20		9.80
Remuneration				
Sri S V Alagappan, Managing Director	39.04		38.88	
Smt A Lalitha, Joint Managing Director		36.00		36.00
Salary				
Sri R Selvaraj, Chief Financial Officer	15.05		12.59	
Smt M Shyamala, Company Secretary	14.11		13.90	
Amount Outstanding as at year end				
(i) Payables - Managerial Remuneration	-		-	
(ii) Receivable				
- Trade Receivables		113.13		60.47
- Other Receivables		0.89		0.89
(iii) Write off / Write back	-		-	

37. Earnings per equity share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit attributable to equity shareholders (₹)	(8.95)	(381.12)
Weighted average number of equity shares (Nos.)	86,41,808	86,41,808
Par value per equity share (₹)	10.00	10.00
Earning per share - Basic & Diluted (₹)	(0.10)	(4.41)

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

38 A. Income Tax recognised:

Particulars	For the year ended 31 March, 2026		For the year ended 31 March, 2025	
	Statement of profit and loss	Other comprehensive income	Statement of profit and loss	Other comprehensive income
Current Tax:				
In respect of current year	-	-	-	-
In respect of prior years	-	-	-	-
Deferred Tax:			-	
In respect of current year	(38.14)	5.97	(43.61)	1.19
Income tax expense	**(38.14)**	**5.97**	**(43.61)**	**1.19**

38 B. Movement in deferred tax balances

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
Year ended 31.03.2026				
Tax effect of items constituting deferred tax asset				
Provision for Expected credit loss		-	-	-
On disallowance under the Income Tax Act	114.48	-	(5.97)	108.51
Tax effect of items constituting deferred tax asset	**114.48**	**-**	**(5.97)**	**108.51**
Tax effect of items constituting deferred tax (liabilities)				
On difference between book balance and tax balance of fixed assets	(273.79)	38.14	-	(235.65)
Tax effect of items constituting deferred tax (liabilities)	**(273.79)**	**38.14**	**-**	**(235.65)**
Net Deferred tax assets/(liabilities)	**(159.31)**	**38.14**	(5.97)	**(127.14)**
Year ended 31.03.2025				
Tax effect of items constituting deferred tax assets				
Provision for Expected credit loss	-	0.77	-	0.77
On disallowance under the Income Tax Act	105.53	9.37	(1.19)	113.71
Tax effect of items constituting deferred tax assets	**105.53**	**10.14**	**(1.19)**	**114.48**
Tax effect of items constituting deferred tax (liabilities)				
On difference between book balance and tax balance of fixed assets	(307.26)	33.47	-	(273.79)
Tax effect of items constituting deferred tax (liabilities)	**(307.26)**	**33.47**	**-**	**(273.79)**
Net Deferred tax assets/(liabilities)	**(201.73)**	**43.61**	**(1.19)**	**(159.31)**

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

38 C. Tax expense

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
A. Current Tax		
In respect of current year	-	-
In respect of prior years	-	-
Total (A)	**-**	**-**
B. Deferred Tax		
Origination and reversal of temporary differences	(38.14)	(43.61)
Charge in respect of deferred tax for earlier years	-	-
Total (B)	**(38.14)**	**(43.61)**
C. Tax expense recognized in Statement of Profit and Loss - (A)+(B)	**(38.14)**	**(43.61)**
D. Tax expense recognized in Other Comprehensive Income	**(5.97)**	**(1.19)**
Total Tax Expenses /(benefits) : (C-D)	**(32.17)**	**(42.42)**

Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Profit/(loss) before tax	(47.09)	(424.73)
Enacted tax rate	25.17%	25.17%
Expected income tax expense/(benefit) at statutory tax rate	(11.85)	(106.90)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses not deductible in determining taxable profits	0.04	-
Others	(26.32)	50.50
Deferred Tax not recognised on unused tax losses	-	12.79
Tax expense recognized in Other Comprehensive Income	5.97	1.19
Tax expense for the year	**(32.17)**	**(42.42)**
Effective income tax rate	0.00%	0.00%

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

39. Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2026, March 31, 2025 is as follows:

Particulars	Note Numbers	Carrying Value		Fair Value	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Advance	12	2.83	1.17	2.83	1.17
Other Receivables	12	18.82	-	18.82	-
Trade receivable	9	1,224.58	2,691.86	1,224.58	2,691.86
Cash and cash equivalents	10	397.08	29.35	397.08	29.35
Bank Balance other than above	11	106.79	9.84	106.79	9.84
Other Financial Asset	6	161.78	156.24	161.78	156.24
FVTOCI					
Investment in equity instruments (unquoted)	5	60.02	60.02	60.02	60.02
Total assets		**1,971.90**	**2,948.48**	**1,971.90**	**2,948.48**

Financial liabilities

Particulars	Note Numbers	Carrying Value		Fair Value	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Amortised cost					
Borrowings	19	-	988.58	-	988.58
Trade payables	20	515.46	613.57	515.46	613.57
Other financial liabilities and lease liabilities	21	249.93	307.92	249.93	307.92
Deposits Received	16	45.30	45.50	45.30	45.50
Total liabilities		**810.69**	**1,955.57**	**810.69**	**1,955.57**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

ii) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non- performance risk as at March 31, 2026 was assessed to be insignificant.

40. Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2026, March 31, 2025

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2026

Particulars	Carrying value as on 31st March 2026	Quoted prices in active markets (Level1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Asset					
Advance	89.06				89.06
Trade receivable	1,224.58	-		-	1,224.58
Cash and cash equivalents	397.08	-		-	397.08
Bank Balance other than above	106.79	-		-	106.79
Other Financial Asset	21.65				21.65
					-
FVTOCI					-
Investments - Non - current - Unquoted	60.02				60.02
Financial liabilities not measured at fair value*					**-**
Amortised cost					**-**
Borrowings	-				-
Trade payables	515.46	-		-	515.46
Other financial liabilities	249.93	-		-	249.93
Deposits Received	45.30	-		-	45.30

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2025

Particulars	Carrying value as on 31st March 2025	Quoted prices in active markets (Level1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Asset					
Advance	1.17				1.17
Trade receivable	2,691.86				2,691.86
Cash and cash equivalents	29.35	-		-	29.35
Bank Balance other than above	9.84	-			9.84
Other Financial Asset	156.24	-		-	156.24
		-		-	-
FVTOCI					-
Investments - Non - current - Unquoted	60.02	-			60.02
					-
Financial liabilities not measured at fair value*					-
Amortised cost					-
Borrowings	988.58				988.58
Trade payables	613.57	-		-	613.57
Other financial liabilities	307.92	-		-	307.92
Deposits Received	45.50	-		-	45.50

*The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings and other current financial liabilities are a reasonable approximation of their fair values.

₹ in Lakhs

Valuation technique used to determine fair value

The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date.The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings and other current financial liabilities are a reasonable approximation of their fair values.The estimated fair value amounts as at March 31, 2026 have been measured as at that date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each year-end.The investments in Level-3 hierarchy has been valued at cost approach to arrive at the fair value as there is vide range of possible fair value measurement and the cost represents the estimate of fair value within that range considering the purpose and restriction on the transferability of the instruments.There were no transfers between Level 1, Level 2 and Level 3 during the year.

41 Financial risk management

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of percentage of revenues generated from top customer and top 10 customers:

Particulars	Year ended March 31 2026	Year ended March 31 2025
Revenue from top customer	2,781.30	1,462.47
Revenue from top 10 customers	5,771.90	7,071.58

4 Customers accounted for more than 5% of the revenue for the year ended March 31, 2026 , One customer accounted for more than 9% of the receivables for the year ended March 31, 2025.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through credit limits with banks.

The working capital position of the Company is given below:

Particulars	Note Number	As at 31.03.2026	As at 31.03.2025
Cash and cash equivalents	10	397.08	29.35
Total		**397.08**	**29.35**

Maturity Profile

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2026, March 31, 2025

Particulars	As at	On demand	Less than 1 year	Between 1-5 years	More than 5 years
Borrowings (i) Short term Borrowings					
	March 31, 2026	-		-	-
	March 31, 2025	988.58		-	-
Trade payables	March 31, 2026		515.46	-	-
	March 31, 2025		613.57	-	-
Other financial liabilities	March 31, 2026		249.93		
	March 31, 2025		307.92		

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments.

Interest rate sensitivity analysis

If interest rates had been 1% higher and all other variables were held constant, the company's profit for the year ended would have impacted in the following manner:

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Increase / (decrease) in the Profit for the year	(4.38)	(12.57)

If interest rates were 1% lower, the company's profit would have increased by the equivalent amount as shown in the above table.

Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or convertible and/or combination of short term /long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate.

Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

The following table summarizes the capital of the Company:

Particulars	As at 31.03.2026	As at 31.03.2025
Cash and cash equivalents	397.08	29.35
Total cash (a)	**397.08**	**29.35**
Non-current borrowings	-	-
Current borrowings	-	988.58
Current maturities of non-current borrowings	-	-
Total borrowings (b)	**-**	**988.58**
Net debt c=(b-a)	**(397.08)**	**959.23**
Share capital	864.18	864.18
Other Equity	8,385.41	8,376.59
Total equity (d)	**9,249.59**	**9,240.77**
Gearing ratio (c/d)	(0.04)	0.10

42. CSR Expenditure:

The Company has incurred loss for immediately preceding financial year and hence no mandatory obligation to spend on CSR during the financial year 2025-26

43. Power and Fuel is net of Wind Power of Rs.1339.85/- Lakhs (Previous Year Rs.1165.09/-Lakhs) representing units supplied to grid against against which equivalent captively consumed)

Notes to the financial statements for the year ended March 31, 2026

44. Ratios

Sl. No.	Type of Ratio	Parameter	Numerator	Denominator	2025-26	2024-25	% Variance	Remark (if change more than 20%)
1	Current Ratio	Times	Current Assets	Current Liability	3.80	2.32	64.18%	Effective utilisation of working capital improved with higher-count yarn sales, stronger cash inflows, and an improved collection period.
2	Debt to Equity ratio	Times	Long and short term Borrowings + Lease Liability	Share Holders Equity	-	-	-	-
3	Debt service coverage ratio	Times	Earning Available for Debt Service	Interest + installment	18.39	3.40	4.41	
4	Return on Equity ratio	%	Net profit (loss) aftertax	Average Shareholder's Equity	(0.10)	(4.00)	(97.58%)	Reduction in net loss during the year
5	Inventory turnover ratio	Times	Cost of Goods Sold	Average Inventory	21.32	18.22	0.17	-
6	Trade receivables turnover ratio	Times	Net Credit Sales	Average Receivables	6.45	6.57	(0.02)	
7	Trade Payables ratio	Times	Purchases	Avg Trade Payable	18.42	20.89	(0.12)	-
8	Working Capital turnover ratio	Times	Revenue from operation	Working Capital	3.45	4.88	(29.27%)	The strategic shift from coarser to finer count yarns led to lower volumes, resulting in a decline in sales.
9	Net Profit / (loss) margin	%	Net profit after tax	Revenue from operation	(.07%)	(2.48%)	(97.14%)	Lower finance cost increase in cash profit
10	Return on capital employed	%	EBIT	Average Capital employed	(.08%)	(6.53%)	(98.75%)	Reduction in Net loss during the year.
11	Return on Investments			No return on Investment is received				

₹ in Lakhs

45 Disclosure under Ind AS 116 - Leases

Amount recognised in the Statement of Profit and Loss

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
Expense relating to Short Term Lease Liabilities/ Leases of Low value assets	5.53	5.53
Total	**5.53**	**5.53**

46 On November 21, 2025, the Government of India notified the four Labour Codes consolidating existing labour laws. The Company has assessed the impact of these Codes on its employees and concluded that there is no material incremental liability. The Company continues to monitor developments relating to the finalisation of Central and State Rules and will recognise the accounting impact, if any, as required, as and when the rules are notified.

47 There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

48 There are no proceedings initiated or pending against the company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 and the rules made there under.

49 Company has not entered into any transactions with companies struck off under Companies Act, 2013

50 The Company has not been declared as a wilful defaulter by any bank or financial institution.

51 (i) The company has not advanced or loaned or invested any fund, which are material either individually or in aggregate (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The company has not received any fund, which are material either individually or in aggregate, from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party.

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

52 All the figures are in lakhs unless otherwise stated. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure

Material accounting policies and the accompanying notes 1 to 52 are an integral part of these financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For VKS AIYER & Co
Chartered Accountants
Firm Registration No.000066S

S V ALAGAPPAN
Chairman & Managing Director
DIN: 00002450

A LALITHA
Joint Managing Director
DIN: 00003688

KAUSHIK SIDARTHA
Partner
Membership No.217964
Place: Coimbatore
Date : 27th May, 2026

R SELVARAJ
Chief Financial Officer

M SHYAMALA
Company Secretary
ACS No. 24464

Notes:

Notes:

Notes:


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SHIVA MILLS LIMITED

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