SAMBANDAM SPINNING MILLS LIMITED UNIT-I
Registered Office : Kamaraj Nagar Colony, Salem 636 014. Tamil Nadu
(P) +91 427 2240790 (E) corporate@sambandam.com
website : www.sambandam.com Corporate Identity No. L17111TZ1973PLC000675

Ref : 154/SSML/CS/2026-27 26th August 2026

The DGM Listing,
The Bombay Stock Exchange Ltd,
Floor No. 25, P.J.Towers,
Dalal Street,
MUMBAI – 400 001.

Dear Sir,

Scrip Code : 521240

Sub : Submission of 52nd Annual Report for the year 2025-26

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, we are submitting herewith the Annual Report including Notice of 52nd AGM to be held on 18-09-2026 of the Company for the year 2025-26

We have also uploaded the Annual Report including Notice of 52nd AGM to be held on 18-09-2026 of the Year 2025-26 in our Company's Website 'www.sambandam.com' and also uploading now in BSE Website http://listing.bseindia.com.

Record date is fixed as 11-09-2026 and the register of members and Share Transfer Books of the Company will remain closed from 12-09-2026 to 18-09-2026 (both days inclusive) for the purpose of 52nd Annual General Meeting of the Company.

This may be taken on record.

Thanking you,

Yours truly,
for Sambandam Spinning Mills Limited
SWAMINATHAN NATARAJAN
Digitally signed by SWAMINATHAN NATARAJAN
Date: 2026.08.26 10:58:18 +05'30'
(S.Natarajan)
Company Secretary

SAMBANDAM SPINNING MILLS LIMITED

52nd Annual Report

2025 - 2026

SINCE 1974

SAMBANDAM SPINNING MILLS LIMITED

52nd Annual Report 2025 - 2026

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Certifications

ISO 9001:2015

ISO 140001:2015

ISO 45001:2018

Global Organic Textile Standard · GOTS

Organic 100 content standard

Organic Blended content standard

Global Recycled Standard

Recycled Blended claim standard

Responsible Wool Standard R·W·S Certified ©TextileExchange

better cotton

OEKO TEX®

regenagri

Kasturi Cotton Bharat

liva natural fluid fashion

Tencel™ Feels so right

R|Elan™ Fabric 2.0

SolucellAir®

INDITEX

C&A

amfori BSCI Trade with purpose

MUJI 無印良品

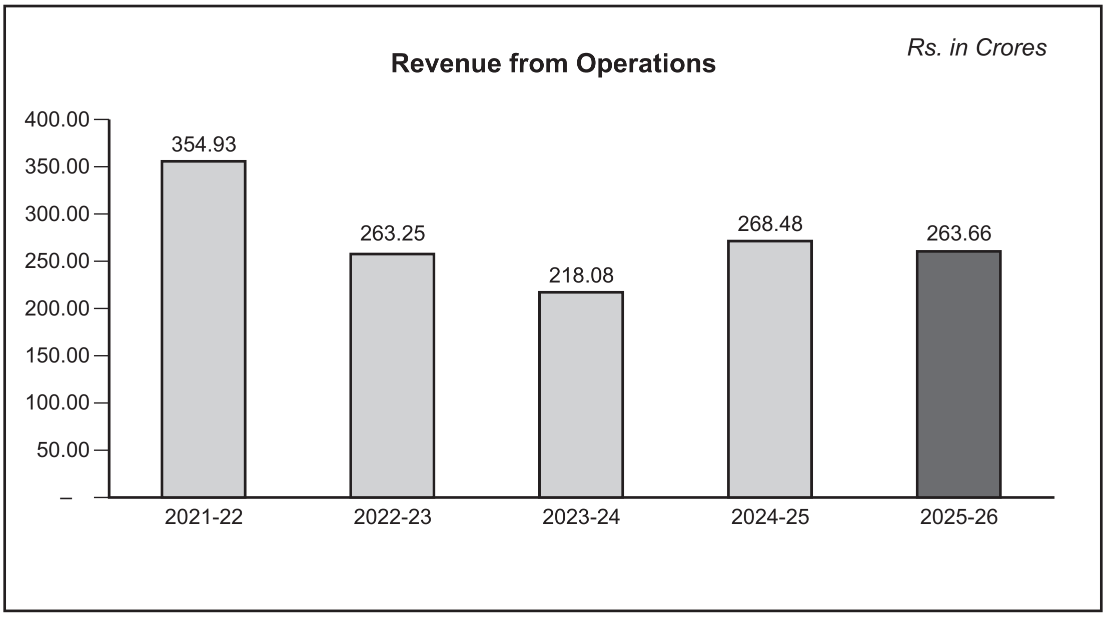
Higg Index

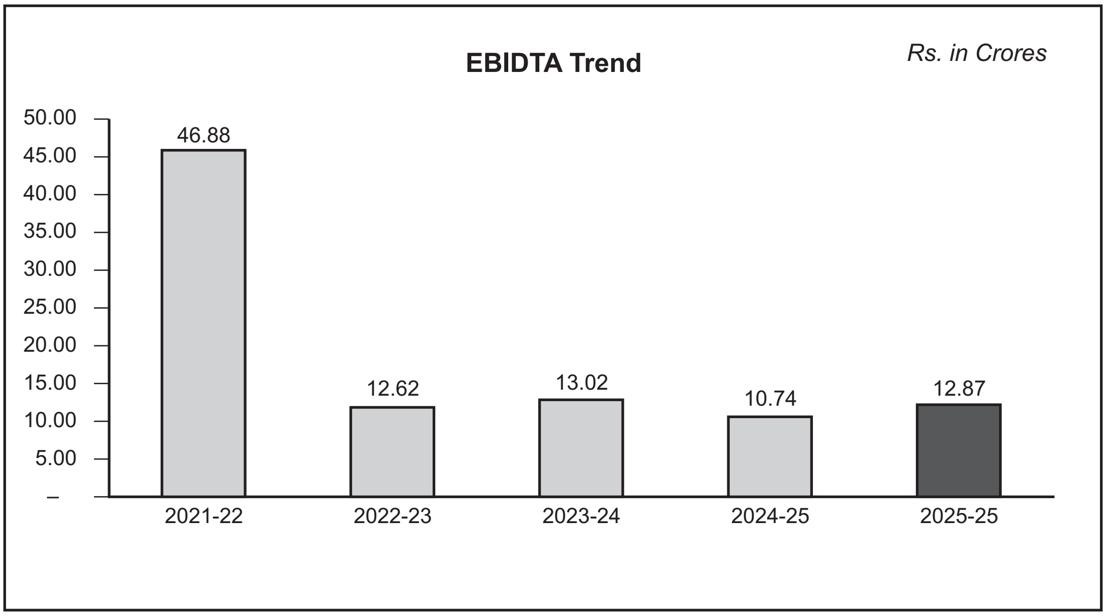
SOCIAL & LABOR CONVERGENCE

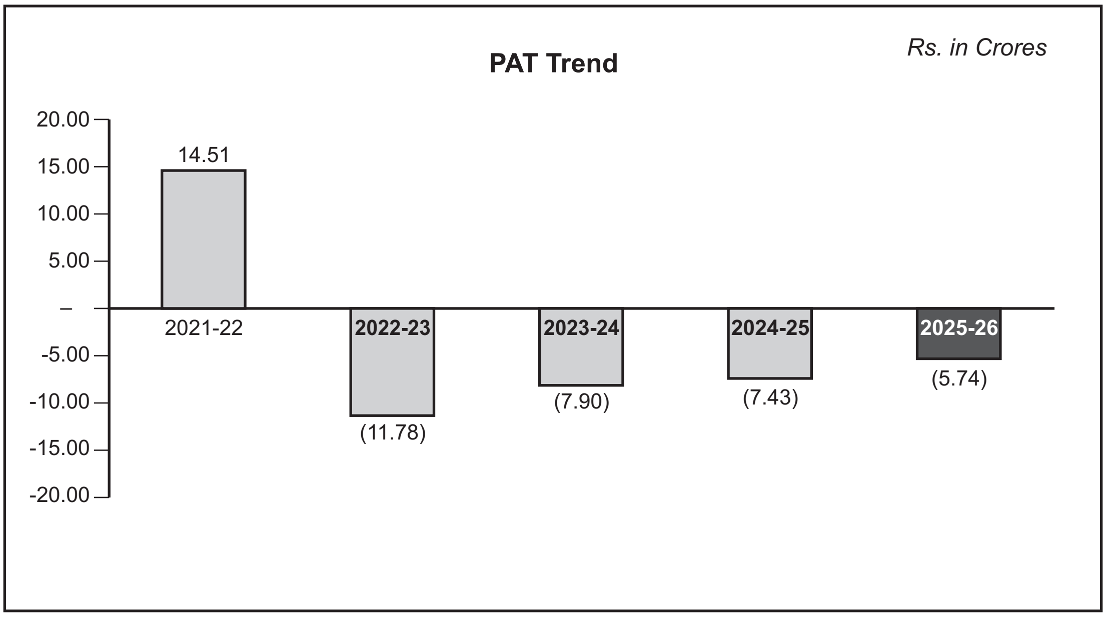
Sambandam Spinning Mills Limited For Organisation Excellence 5S: Seiri Sort, Seiton Set, Seiso Shine, Seiketsu Standard, Shitsuke Sustain

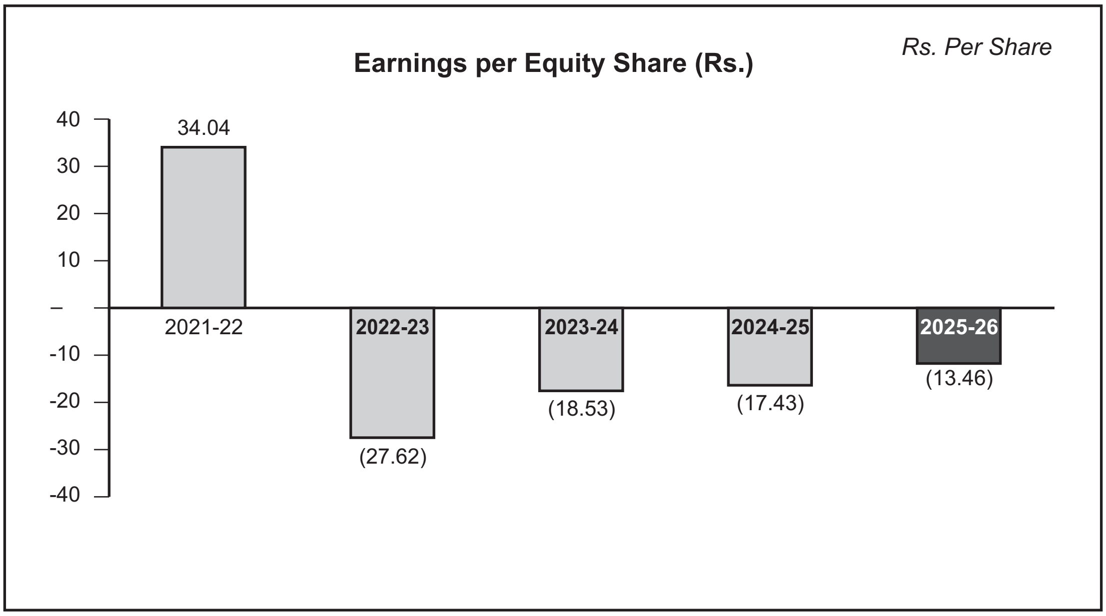
Board of Directors	**S. Devarajan**	–	**Chairman and Managing Director**
	S. Jegarajan	–	**Joint Managing Director**
	S. Dinakaran	–	**Joint Managing Director**
	D. Sudharsan	–	**Non Executive Director**
	J. Sakthivel	–	**Director - Technical (Whole time Director)**
	D. Niranjan Kumar	–	**Director - Marketing (Whole time Director)**
	Dr.V Sekar	–	**Independent Director**
	D.Balasundaram	–	**Independent Director**
	V.Annapoorani	–	**Independent Director**
	S.Bhaskaran	–	**Independent Director**
	M. Gopalakrishnan	–	**Independent Director**
	T. Padmanabhan	–	**Independent Director**

Chief Financial Officer	**P. Boopalan**
Company Secretary	**S. Natarajan**
Statutory Auditors	**P.N. Raghavendra Rao & Co**
Secretarial Auditor	**KUVS & Associates**
Cost Auditor	**Dr. C. Dhanapal**
Bankers	**Canara Bank** **Karnataka Bank Limited** **HDFC Bank Limited** **The South Indian Bank Limited** **CSB Bank Limited** **ICICI Bank Limited**
Registered Office	**Mill Premises, Kamaraj Nagar Colony,** **Salem 636 014, Tamil Nadu.**
Corporate Identity No.	**(CIN) : L17111TZ1973PLC000675**
Spinning Plant and Roof Top Solar Energy Plant	**Unit I : Kamaraj Nagar Colony,** **Salem 636 014, Tamil Nadu.** **Email : corporate@sambandam.com** **Tel : 0427 2240790** **Unit II : Ayeepalayam, Athanur 636 301,** **Namakkal District, Tamil Nadu.** **Unit III : Kavarakalpatty, Seshanchavadi Post** **Salem 636 111, Tamil Nadu.**
Wind Energy Converters	**Uthumalai Village, V.K. Pudur Taluk** **Tirunelveli District, Tamil Nadu.** **Panangudi, Pazhavoor** **and Parameshwarapuram Villages** **Radhapuram Taluk, Tirunelveli District, Tamil Nadu.**
Ground Mounted Solar Energy Plant	**Venbavur Village, Veppanthattai Taluk,** **Perambalur District, Tamil Nadu**
Registrar & Share Transfer Agents	**M/s Cameo Corporate Services Limited,** **Chennai, Tamil Nadu**


Rs. in Crores
Revenue from Operations
400.00
350.00
300.00
250.00
200.00
150.00
100.00
50.00
–
354.93
263.25
218.08
268.48
263.66
2021-22
2022-23
2023-24
2024-25
2025-26


Rs. in Crores
EBIDTA Trend
50.00
45.00
40.00
35.00
30.00
25.00
20.00
15.00
10.00
5.00
–
46.88
12.62
13.02
10.74
12.87
2021-22
2022-23
2023-24
2024-25
2025-25


PAT Trend
Rs. in Crores
20.00
15.00
10.00
5.00
–
-5.00
-10.00
-15.00
-20.00
14.51
2021-22
2022-23
(11.78)
2023-24
(7.90)
2024-25
(7.43)
2025-26
(5.74)


Earnings per Equity Share (Rs.)
Rs. Per Share
40
30
20
10
–
-10
-20
-30
-40
34.04
2021-22
2022-23
(27.62)
2023-24
(18.53)
2024-25
(17.43)
2025-26
(13.46)

SAMBANDAM SPINNING MILLS LIMITED

Registered Office : KAMARAJ NAGAR COLONY, SALEM – 636 014
Corporate Identity Number (CIN) : L17111TZ1973PLC000675
Website : www.sambandam.com, Email : corporate@sambandam.com
Tel : 0427 2240790

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that Fifty second (52nd) Annual General Meeting (AGM) of the members of the Company will be held **at 10.45 AM - IST on Friday 18.09.2026** through video conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business.

ORDINARY BUSINESS :

Item No.1 ADOPTION OF FINANCIAL STATEMENTS

To consider and if deemed fit to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :

RESOLVED THAT the Standalone and Consolidated 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 be and are hereby received, considered and adopted

Item No.2 AUDIT FEES TO STATUTORY AUDITOR

To consider and if deemed fit to pass, with or without modification(s), the following Resolutionas an ORDINARY RESOLUTION:

Pursuant to the provisions of section 139(2) and other applicable provisions, of the Companies Act 2013 and the rules framed there under (including any Statutory modification(s), M/s.P.N.Raghavandra Rao & Co., Chartered Accountants (Firm Registration No.FRN:003328S) is appointed in 48th AGM as Auditors of the Company for a term of 5 consecutive years to hold office from the conclusion of 48th AGM meeting till the conclusion of the 53rd AGM to be held in year 2027 Annual General Meeting on ratification of fees in every subsequent Annual General Meeting.

RESOLVED that the Statutory Auditors shall be paid a fees of Rs 8 lakhs (Rupees Eight Lakhs only) per year excluding out of pocket expenses that may be incurred by them in connection with the audit and excluding applicable GST for conducting statutory audit for the year ending 31st March 2027 as recommended by the audit committee and board of directors at the time of appointment by the company and to give their report thereon.

Item No.3 REAPPOINTMENT OF DIRECTOR RETIRING BY ROTATION

To consider and if deemed fit to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION

RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act 2013 (the Act) and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. J.Sakthivel (DIN : 09241285), Director retiring by rotation at this AGM and being eligible for reappointment, be and is hereby re-appointed as director of the Company on same terms and conditions as approved by shareholders in the AGM dated 21.09.2024.

SPECIAL BUSINESS

Item No.4 RATIFICATION OF FEES PAYABLE TO COST AUDITOR

To consider and if deemed fit to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT the fees of Rs 1 lakh (one lakh) payable for audit of cost accounts of the Company for the financial year ending 31st March 2027 to Dr.C.Dhanapal, Practicing Cost Accountant (Membership Number :14293) as recommended by the Audit Committee and approved by the Board of Directors of the Company pursuant to section 148 of the Companies Act 2013 read with rule 14 and other applicable rules of the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) excluding out of pocket expenses that may be incurred by him in connection with the cost audit and applicable GST be and is hereby confirmed and ratified."

"RESOLVED FURTHER THAT the Board of directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts and take all such steps as may be necessary, to give effect to this resolution."

Item No.5 CONTINUATION OF MR S.DINAKARAN (DIN:00001932) AS JOINT MANAGING DIRECTOR UPON ATTAINING AGE OF SEVENTY YEARS

To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to section 196(3) read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and as recommended by nomination and remuneration committee and approval of the board, consent of the Members of the Company be and is hereby accorded for continuation of holding of office of Joint managing Director by Mr.S.Dinakaran (DIN: 00001932) upon attaining the age of 70 (Seventy) years in march 2027, for the remaining tenure of his current term of appointment on the existing terms and conditions duly approved in the Previous Annual General Meeting through a Special Resolution passed on 21st September, 2024."

"RESOLVED THAT the Board of Directors of the Company (including any Committee thereof) be and are hereby severally authorised to do all acts and take all such steps as may be necessary, to give effect to above resolutions.

Item No.6 REAPPOINTMENT OF S.BHASKARAN AS NON-EXECUTIVE INDEPENDENT DIRECTOR.

To consider and if deemed fit to pass, with or without modification(s), the following Resolution as a SPECIAL RESOLUTION

"RESOLVED THAT, pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr.S.Bhaskaran (DIN:09241221), who was appointed in the 47 th AGM held on 25.09.2021 as an Independent Director of the Company to hold office for 1 st term till closing hrs on 13.08.2026, and being eligible for one more term, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of consecutive years from 14 th August 2026 up to conclusion of 55 th AGM to be held in year 2029

"RESOLVED THAT the Board of Directors of the Company (including any Committee thereof) be and are hereby severally authorised to do all acts and take all such steps as may be necessary, to give effect to above resolutions.

Item No.7 Appointment of Sri T C A Srinivasa Prasad (DIN:05228526), who will attain the age of 75 years, as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161(1), 178, Schedule IV, and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 17(1A), Regulation 17(1C) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and based on the recommendation of the Nomination and Remuneration Committee Sri T C A Srinivasa Prasad (DIN:05228526), who is appointed by the board as an Independent Director with effect from conclusion of this 52 nd AGM (September 18, 2026), , and he will be attaining the age of 75 years on in July 2027 and in respect of whom the Company has received a notice in writing under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby regularized and appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of consecutive years with effect from the conclusion of 52^{nd} AGM (i.e 18.09.2026) up to the conclusion of 55^{th} AGM to be held in the year 2029.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and are hereby authorized to do all such acts, deeds, matters, and things as may be necessary, proper, or expedient to give effect to this resolution.

Item No. 8 Appointment of Sri S.Praksah (DIN:00941374)as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161(1), 178, Schedule IV, and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 17(1A), Regulation 17(1C) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and based on the recommendation of the Nomination and Remuneration Committee Sri S.Prakash (DIN:00941374), who is appointed by the board as an Independent Director with effect from conclusion of this 52 nd AGM (September 18, 2026), and in respect of whom the Company has received a notice in writing under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby regularized and appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of consecutive years with effect from the conclusion of 52^{nd} AGM (i.e 18.09.2026) up to the conclusion of 55^{th} AGM to be held in the year 2029.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and are hereby authorized to do all such acts, deeds, matters, and things as may be necessary, proper, or expedient to give effect to this resolution.

Item No.9 ACCEPTANCE OF FIXED DEPOSITS FROM MEMBERS OF THE COMPANY

To consider, and if thought fit, to pass with or without modification, the following Resolutions, as an ORDINARY RESOLUTIONS :

RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to accept fixed deposits from the members of the Company in accordance with the provisions of Section 73(2) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) duly observing the procedure for accepting fixed deposits from the members of the Company and within the limits prescribed therefor.

“RESOLVED THAT the Board of Directors of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, to give effect to above resolutions.

For and on behalf of the Board of
Sambandam Spinning Mills Limited

Place : **Salem**
Date : **August 13, 2026**

S. Natarajan
Company Secretary

NOTES :

1 Explanatory Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item No. 3 to 8 of the Notice to be transacted at the AGM is annexed hereto.

2 The Register of Members and the Share Transfer Books of the Company will remain closed from 12.09.2026 to 18.09.2026, (both days inclusive) for determining the entitlement of the shareholders for e voting

3 Members holding shares in physical form are requested to notify the RTA any change in their address or bank A/c. particulars immediately and not later than 10.09.2026 and members holding shares in electronic (DEMAT) form are requested to notify any change in their address or Bank details to their respective Depository Participant, latest by 10.09.2026. In case of shareholders holding shares in physical form, all intimations for recording change of address, bank mandate, or nominations and for redress of any grievance are to be sent to Cameo Corporate Services Limited, at 'Subramanian Building', No.1, Club House Road, Chennai – 600 002 who are the Registrars and Share Transfer Agents (RTA) of the Company. In case of persons holding shares in Demat form, all such intimations should be sent to their respective Depository Participants (DP.s).

Members can also submit their grievances by e-mail direct to the Company at the following e-mail ID : cs@sambandam.com
corporate@sambandam.com

4 As per the SEBI Regulations, a person holding the Company's shares / acquiring the Company's shares (voting rights) exceeding 5% of the paid up share capital (Two lakh thirteen thousand two hundred and thirty equity shares of the Company together with their existing holdings) shall inform the Company within 2 working days of acquisition of the Company's shares before sending the share transfer documents to Cameo Corporate Services Ltd., for registering the shares in their name. Similarly persons already holding 5% or more (Two lakh thirteen thousand two hundred and thirty equity shares) of the Company shall inform the Company if they sell or transfer any of their shares within 2 working days of sale of their shares.

5 As per the provisions of the Companies Act, facility for making nomination is available to individuals holding shares in the Company. The prescribed nomination form can be obtained from the RTA / Depository Participants.

6 As per the provisions of Section 125 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India.

Pursuant to the provisions of the Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March 2026 on the website of the Company (www.sambandam.com). Shareholders can ascertain the status of their unclaimed amounts from these websites, and write to the Company immediately to claim that amount.

7 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every share holder / participant in securities market for registering transfers, transpositions, transmissions, etc. Members holding shares in electronic form (DEMAT) are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit copy of their PAN card to the RTA, Cameo Corporate Services Limited, at 'Subramanian Building', No.1, Club House Road, Chennai-600 002

8 Additional information in respect of the Director seeking appointment /reappointment at the AGM is furnished at the end of this notice which forms part of the Notice.

9 Members are requested to inform the Company their e-mail ID to facilitate quick response from the Company. Ministry of Corporate Affairs has recognized e-mail communication to share holders as effective and efficient means of communication from the Company and also member's communication to the Company. Members may register their e-mail id with the Company and also keep the Company informed of any changes in their e-mail ID.

10 Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amended Rules 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the Company is pleased to offer Electronic Voting (e-voting) facility to the members to cast their votes electronically on all Resolutions set forth in the Notice convening the 52nd AGM. The Company has engaged the services of National Securities Depository Limited (NSDL) for this purpose.

11 Instructions for members for e-voting :-

(i) THE CUT OFF DATE FOR THE PURPOSE OF E-VOTING HAS BEEN FIXED AS 11-09-2026 MEMBERS HOLDING SHARES AS ON THIS CUT OFF DATE SHOULD ENDEAVOUR TO CAST THEIR VOTES ELECTRONICALLY.

(ii) VOTING RIGHTS OF SHAREHOLDERS SHALL BE IN PROPORTION TO THEIR SHAREHOLDINGS IN THE COMPANY AS ON THE CUT OFF DATE i.e.11-09-2026

(iii) **CMA.K.KARTHIKEYAN PRACTICING COST ACCOUNTANT (MEMBERSHIP NO.19549)** has been appointed as SCRUTINIZER to scrutinize the e-voting process in a fair and transparent manner. Result of the voting on all resolutions will be declared within two working days after the AGM.

(iv) The Scrutinizer will ascertain the result after the conclusion of voting at the AGM by the following Process:

a) First unblock the votes cast through e-Voting;

b) Prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit it to the Chairman.

c) The Scrutinizer's Report as above would be made soon after the conclusion of AGM and in any event not later than two working days from the conclusion of the Meeting.

(v) Voting Results

a) The Chairman or a person authorized by him will declare the result of the voting based on the Scrutinizer's Report.

b) The results declared along with the Scrutinizer's Report will be placed on the Company's website www.sambandam.com immediately after the result is declared and also communicated to BSE.

c) Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of the AGM.

The e-voting period begins at 9.15 a.m. on 13-09-2026 and ends at 5.00 p.m. on 17-09-2026. This period is called 'remote e-voting period'. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form as on the cut-off date ie, 11-09-2026 may cast their vote electronically. At the end of this period, the remote e-voting facility will be disabled by NDSL

12 Notice of the AGM along with the Annual Report is being sent to the shareholders whose names appear in the Register of Members as on 21.08.2026 Those who acquire the Company's shares subsequently and continue to hold the shares till the previous day of cut off date i.e. 11.09.2026 may contact the RTA, Cameo Corporate Services to obtain their pass word for casting their vote by e-voting. AGM Notice and the Annual Report will be uploaded in the Company's Website

13 NSDL e-Voting System – For Remote e-voting

1. Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and circular issued by SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024, and Circular No 31/2025 dt 22.09.2025 (“SEBI Circular”) and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold AGM through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, AGM shall be conducted through VC / OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

3. The Members can join the AGM in the VC AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. 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 by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.Sambandam.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 13.09.2026 at 09:15 A.M. and ends on 5.00PM on 17.09.2026. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e.11.09.2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 11.09.2026.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, 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 in their demat accounts in order to access e-Voting facility.

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

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. 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 and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

Type of Shareholders	Login Method
	3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note : Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode 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.com 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. 1800-21-09911

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 140900 then user ID is 140900001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system. How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bkkarthi@gmail.comwith a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e- voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms.Prajakta Pawale at

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to corporate@sambandam.com or investor@cameoindia.com .
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to corporate@sambandam.com or If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM 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 system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. **Members who would like to express their views / ask questions during the meeting, may register themselves as a speaker by sending their request from their registered email address** mentioning their name, demat account number / folio number, email id, mobile number to from 12.09.2026 (9.15 a.m. IST) to 16.09.2026 (5.00 p.m. IST). Those members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

14 The voting rights of the members shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on the 'cut-off' date being 11-09-2026.

15 **CMA K.KARTHIKEYAN (CMA MEMBERSHIP NO. 19549) PRACTISING COST ACCOUNTANT** has been appointed as the Scrutinizer to scrutinize the remote e-voting and AGM venue voting processes in a fair and transparent manner.

16 The Scrutinizer shall, immediately after the conclusion of the voting at the general meeting, will count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company.

17 The Scrutinizer will submit within two working days of the conclusion of the AGM ,a consolidated report of the total votes cast through remote e-voting process and votes cast at the AGM to the Chairman or any person authorised by him who shall countersign the same and declare the results of the voting forthwith.

18 The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.sambandam.com and the website of the NSDL immediately after the declaration of result and shall also be immediately forwarded to the Stock Exchange where the Company's shares are listed.

All documents referred to in this notices will be available for inspection on all working days during business hours of the Company until the date of the Annual General Meeting of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 FOR ITEMS 4 to 9

Item No. 4 : EXPLANATORY STATEMENT FOR RATIFICATION OF FEES PAYABLE TO COST AUDITOR

No 3 The Board of directors at their meeting held on 23.05.2026 have appointed Dr.C.Dhanapal Practicing, Cost Accountant (Membership Number :14293) for audit of cost accounts of the Company on payment of remuneration of Rs 1 lakh excluding out of pocket expenses and service tax for the financial year 2026-27. Board of directors has accepted the recommendation of the Audit committee and approved his appointment. As per the provisions of Section 148 of the Companies Act 2013 and Rule 14 of the Companies (Audit and Auditors) Rules 2014, remuneration payable to the cost auditor as approved by the Board of directors of the Company is to be ratified by the shareholders. Hence the subject is placed before the shareholders for passing an ordinary resolution. None of the directors or the key managerial personnel or their relatives is interested in the resolution

Item No. 5 : EXPLANATORY STATEMENT ON CONTINUATION OF MR. S DINAKARAN AS JOINT MANAGING DIRECTOR UPON ATTAINING AGE OF SEVENTY YEARS

The Shareholders of the Company at the 50th Annual General Meeting held on 21st September 2024 approved re appointment of Mr. S.Dinakaran (DIN: 00001932) as a Joint Managing Director of the Company for a period of three years effective from 1st October 2024 to 30th September 2027 through a Special Resolution under the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and Articles of Association of the Company. Mr. S.Dinakaran Joint Managing Director will attain the age of 70 years in march 2027. The Company seeks consent of the members by way of special resolution for continuation of his holding of existing office even after the age of 70 years during the currency of his term of appointment under the provisions of Section 196 (3) (a) of the Companies Act, 2013. The Board therefore recommends the Special Resolutions for your approval. Mr. S.Dinakaran aged 69, is experienced in the field of Marketing, Production and Administration for the past 41 years in the Company makes him ideally suitable for the said position. He is a prominent and successful Industrialist with a wide and varied experience in the management of business and spinning and Textile industry. Accordingly, looking at his expertise and long experience of business and corporate management, the Board of Directors recommends the Special resolution set out at Item No. 5 the accompanying Notice for the approval of the Members. The Board is of the view that the continued association of Mr. S.Dinakaran would benefit the Company, given the knowledge, experience and performance of Mr. S.Dinarakan, and contribution to Board processes by him. In the opinion of the Board, Mr. S.Dinarakan fulfills the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for appointment as Joint Managing Director . The Details required under Regulations 36(3) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 enclosed as an Annexure to the notice. This explanatory statement and the resolution at Item No. 5 may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013. Except Mr.S.Dinakaran and other promoter directors, none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise this Resolution.

Item No. 6 : EXPLANATORY STATEMENT FOR RE-APPOINTMENT OF S.BHASKARAN AS INDEPENDENT DIRECTOR FOR A SECOND TERM

Mr. S. Bhaskaran holding DIN 09241221 aged about 66 years is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 14.08.2021. Mr. S. Bhaskaran is a graduate from Madras University and CAIIB I & II and MBA Finance and has three decades of experience in Banking sector and brings with him decades of banking and operational expertise in various banking activities and has offered his candidature for second term to become as "Independent Director". He has accomplished a brilliant career of 37 years highlighted by truly outstanding achievements. Mr. S. Bhaskaran is not a Director in any other Company in India. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. He is reappointed as a Non-Executive Independent Director for second term for consecutive years from the date of his completion of first term till conclusion of 55 th AGM. The Company has obtained a declaration for his independency from Mr. S. Bhaskaran and he fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. S. Bhaskaran as an Independent Director. Accordingly, the Board recommends the resolution in relation to re-appointment of Mr. S. Bhaskaran as an Independent Director, for the approval by the shareholders of the Company. Except Mr. S. Bhaskaran , being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested. The Company has obtained a declaration of his independency from him and he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority. This Explanatory Statement may also be regarded as a disclosure under Regulation 26(5) of the SEBI Listing Regulations with the Stock Exchange.

EXPLANATORY STATEMENT FOR ITEM 7 & 8 OF APPOINTMENT OF SRI. TCA SRINIVASA PRASAD AND SRI. S.PRAKASH AS INDEPENDENT DIRECTORS

The tenure (second term - five years) of existing two Independent Directors Dr.V.Sekar (DIN : 23128187) and Sri.D.Balasundaram (DIN : 07800844) is getting completed by the end this 52nd AGM and as per Companies Act 2013 and SEBI (LODR). To keep the board composition as required by companies act 2013 and also in compliance with SEBI (LODR) there is a requirement to appoint two new directors for which Sri.TCA Srinivasa prasad (DIN : 05228526) and Sri S.Prakash (DIN : 00941374) have been identified, recommended by NRC and appointed by the board from the prospective period as mentioned in the resolutions. Accordingly, suitability of such new directors proposed is given in below explanatory statement

Item No. 7 EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 17(1A) OF THE SEBI LODR REGULATIONS

Pursuant to Regulation 17(1A) of the SEBI LODR Regulations, consent of the Members by way of a Special Resolution is required for appointing or continuing the directorship of Sri.TCA Srinivasa Prasad as Non-Executive Director who will be attaining the age of 75 years.

The NRC and the Board have evaluated his performance, domain knowledge, and skills, and are of the opinion that his rich professional experience as detailed below brings high value to the Board's deliberations. The NRC specifically recommended that, notwithstanding his attaining 75 years of age, his appointment will be of immense benefit to the decision-making process, corporate governance standards, and long-term interest of the Company.

The Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for appointment as an Independent Director.

He remained as President ICMAI (Institute of cost and management accountants of India) in the year 2025-26 and further he is a seasoned Board-level executive, Management Consultant and Corporate Trainer with over four decades of distinguished leadership experience in Finance, Corporate Governance, Enterprise Risk Management, Digital Transformation, Artificial Intelligence, ERP Implementation and Business Process Excellence.

He has held senior executive positions as Director (Finance & Accounts – ERP Implementation) and Advisor (ERP), and has led strategic initiatives in financial management, corporate planning, digital transformation, organizational restructuring, internal controls and enterprise-wide ERP implementation. He possesses extensive experience in strengthening governance frameworks, improving financial discipline, enhancing operational efficiency and driving sustainable organizational performance. Recognized nationally as a thought leader, consultant and mentor. Further he would be attaining 75 yrs age by the end of June 2027 and by virtue of his all round experience as above he equips him to make meaningful contributions as an Independent Director. The Company has obtained a declaration of his independency from Mr. TCA Srinivasa Prasad and he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority

In the opinion of the Board, based on the assessment by the NRC, he fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the company.

Except Sri T C A Srinivasa Prasad (DIN:05228526), none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice.

The Board, based on the recommendation of the NRC, recommends the Special Resolution set out at Item No. 7 for approval by the Members.

Item No. 8 EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 17(1A) OF THE SEBI LODR REGULATIONS

Pursuant to Regulation 17(1A) of the SEBI LODR Regulations, consent of the Members by way of a Special Resolution is required for appointing Sri.S Prakash as Non-Executive Director.

The NRC and the Board have evaluated his performance, domain knowledge, and skills, and are of the opinion that his rich professional experience as detailed below brings high value to the Board's deliberations. The NRC specifically recommended that, his appointment will be of immense benefit to the decision-making process, corporate governance standards, and long-term interest of the Company.

The Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for appointment as an Independent Director.

He is a seasoned management consultant with a remarkable track record of transforming struggling enterprises into thriving success . he bring over four decades of hands-on experience running profitable spinning mills. He has progressed from shop-floor supervisor to President of a large, multi-locationalorganisation, and attained leadership positions as President, COO, and Whole time Director. His skills in below areas equips him to make meaningful contributions as an Independent Director. He has vast expertise in Technology / Solutions, Business Development , Relationship Management and Cross - functional teams, and foster a culture of innovation and excellence

In the opinion of the Board, based on the assessment by the NRC, he fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the company.

Except Sri S.Prakash (DIN:00941374), none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 8 of the Notice.

The Board, based on the recommendation of the NRC, recommends the Special Resolution set out at Item No. 8 for approval by the Members

Item No. 9 EXPLANATORY STATEMENT FOR ACCEPTANCE OF FIXED DEPOSITS FROM MEMBERS OF THE COMPANY

Section 73(2) of the Companies Act 2013 prescribes that approval of the members by passing a resolution at the General Meeting is required for the Board of Directors to accept fixed deposits from the shareholders of the Company. However, the relevant rules require certain procedure to be followed by the Company before accepting fixed deposits from the members. After securing the approval of members at the AGM, board will decide about the timing for accepting fixed deposits from the members after complying with the prescribed procedure in this regard. Board of directors commends the resolution for members' approval. None of the directors, Key Managerial Personnel or their relatives is interested or concerned in the resolution except to the extent of deposits made by them and their relatives.

Pursuant to explanatory statement as required under schedule V proviso, of Companies Act 2013, following information are provided with respect to the resolutions passed under item 3 and 6 to 9 of this notice.

I General Information

(1) Nature of the industry : Textile

(2) Date of commencement of Commercial Production : June 1974

(3) In case of new companies, expected date of commencement of activity : Existing Company hence not applicable

(4) Financial Performance : Financial Highlights **(Rs. lakhs)**

	Figs Rs lakhs	**2025-26**	2024-25
a)	Revenue from operation	**26366**	26848
b)	Operating profit (before interest, depreciation and tax)	**1287**	1074
c)	Profit before tax	**(747)**	(1017)
d)	Profit after tax	**(574)**	(743)

(5) Foreign investments or Collaborators, if any — No Foreign Investment ; No Collaboration — **N.A.** — N.A.

II Information about the appointees :

(a) Background Details :

(1) Sri. J.Sakthivel 41years of age, is a graduate is B.Tech (textile technology) and a post graduate in International marketing. Initially he joined the company as GM operations and then elevated to Chief Technical Officer and has 13 yrs experience is leading various technical functions in the company.

(2) Sri.S.Bhaskaran:66 years of age ,is graduate in maths and CAIIB I&II ,MBA Finance,.Initially is appointed as Non executive director for first term of 5years and is being reappointed for second term

(3) Sri.TCA Srinivasa prasad: 74 year of age , is graduate in Physics and CMA (cost and Management accountan) with PG diploma in management , He has got expertise in all areas of a large business entity and is a specialist in ERP solutions and corporate governance

(4) Sri.S.Prakash :65 years of age, is a qualified professional in B.Tech Textiles and P.G Diploma in management. He is specialized in spinning Industry operations, technical management with costing and cost controls , team leadership and in all functional areas.

(b) Past Remuneration :

a) Rs.4,00,000 per month inclusive of perquisites and other terms for Sri J.Sakthivel.

b) No remuneration for Independent Directors, but only sitting fees

(c) Recognition or award : Sri.Srinivasa Prasad is president ICMAI institute for the FY 2025-2026 at the national level and Member CII -TCM National council

(d) Job profile

(1) As Director Technical Sri S. Sakthivel is assisting the Chairman and Managing Director in the management of the affairs of the Company.

(2) S.Bhaskaran – Non executive Independent Director

(3) TCA Srinivasa Prasad Non executive Independent Director

(4) S.Prakash Non executive Independent Director

(e) His suitability

(1) Experience of Sri J.Sakthivel in the field of Production operations ,Research & development for the past 16 years in the Company makes him ideally suitable for the said position.

(2) S.Bhaskaran : Expertise in financial management and banking operations

(3) TCA Srinivasa Prasad :Expertise in Industrial and financial management ,corporate governance, ERP implementation

(4) S.Prakash Expertise in Spinning Industry operations, cost reduction and controls, energy management and team leadership

(f) Remuneration current period /proposed

(1) Rs.4,00,000 per month inclusive of perquisites and other terms as approved in the AGM date 21.09.2024 for Sri J.Sakthivel.

(2) S.Bhaskaran : No remuneration ,only Sitting fees for Non executive Independent Director

(3) TCA Srinivasa Prasad No remuneration, only Sitting fees for Non executive Independent Director

(4) S.Prakash No remuneration, only Sitting fees for Non executive Independent Director

(g) Comparative remuneration profile with respect to industry :

In the range of Rs.50 to 100 lakhs / per year for Executive Directors and only sitting fees for Non executive Independent Director

(h) Pecuniary relationship with the Company or relationship with the managerial personnel if any:

(1) Sri. J.Sakthivel holds 14,600 equity shares of Rs 10 each in the company and he is related to Sri S.Jegarajan Joint managing Director

(2) S.Bhaskaran : NIL

(3) TCA Srinivasa Prasad : NIL

(4) S.Prakash : NIL

Pursuant to Regulation 36 (3) of SEBI (LODR)
Details of Directors seeking appointment/reappointment

Name of the Director	S. Bhaskaran	TCA Srinivasa Prasad	S. Prakash
DIN	09241221	05228526	00941374
Date of Birth	10.05.1960	01.07.1952	01.02.1961
Date of Appointment	14.08.2021	18.09.2026	18.09.2026
Qualification	B.Sc (Mathematics), CAIIB I & II, MBA Finance	Bachelor of Science (Physics), CMA (Cost and Management Accountant) and PG Diploma in Management	B Tech in Textile and PG Diploma in Management
Expertise in Specific Functional area	He is Financial Consultant. He has over of 40 years of experience in Senior Position General Manager in Banking, Financial Services and Retail Operations Management. He retired in the position of General Manager from State Bank of India.	He possesses extensive experience in strengthening governance frameworks, improving financial discipline, enhancing operational efficiency and driving sustainable organisational performance	He has over four decades of hands-on experience running profitable spinning mills. He has raised to the level of President of a large, multi-locational organisation, and having held leadership positions as President, COO, and Wholetime Director, he has sharpened the strategic vision and operational expertise needed to turn non-profitable organisations into profitable ventures
Directorship in other Companies	NIL	Director in Prakruthi Management services Private Ltd	NIL
Committee Membership in other Companies	NIL	NIL	NIL
No. of shares in the this Company	NIL	NIL	NIL
Inter-se relationship with other directors	NIL	NIL	NIL
Number of Board Meetings attended during the year	Four meetings attended out of Four meetings	Not applicable	Not applicable
Last drawn salary	NA	NA	NA
Resignation in listed company during last three years	NIL	NIL	NIL

Details of Director seeking reappointment by rotation

Name of the Director	**Sri J. Sakthivel** Director Technical
DIN	09241285
Date of Birth / Age	09-01-1986 / (40 years)
Date of Appointment	20-08-2021
Qualification	1) B.Tech (Textile Technology), Bapuji Institute of Engineering & Technology, Karnataka. 2) M.Sc. International Marketing, From U.K. 3) M.B.A, (From Indian Institute of Business Management) Delhi. 4) PGDBA (From Indian Institute of Business Management) Delhi.
Expertise in Specific Functional area	Experienced in the field of Production operations, Research & development for the past 16 years in the Company makes him ideally suitable for the said position and currently he is the Director – Technical in Sambandam Spinning Mills Limited
Directorship in other Companies	NIL
Committee Membership in other Companies	NIL
No. of shares in the Company	14600
Inter-se relationship with other directors	He is related to Sri S Jegarajan JMD (Joint Managing Director) of the Company
Number of Board Meetings attended during the year	Attended 4 (Four) out of 4 meetings
Skills and capabilities required for the role & the manner in which proposed meets such requirements	He is existing Executive Director in the company
Terms of Appointment/Reappointment	Executive Director and Liable to retire by rotation and eligible for re-appointment by rotation.
Remuneration last drawn	Rs. 48 lakhs per year
Remuneration sought to be paid	Rs. 48 lakhs per year
Sitting fees for Board Meeting	Not applicable

(i) Other Informations :

a. Reasons for loss or inadequate profits : Market conditions in Textiles industry is sluggish and also Material and Operational cost was high during the year

b. Steps taken or proposed to be taken for improvement : Cost control and reduction measures already initiated

c. Expected increase in productivity and profits in measurable terms : Productivity is expected to increase in the range of 5 to 10%

Other Disclosures : The information on remuneration /package of directors seeking reappointment is provided above in this annual report

DECLARATION :

It is declared pursuant to Section 102 of the Companies Act, 2013 that none of the directors / relatives of directors/ Key Managerial Personnel / Manager is interested, except to the extent as stated if any in the explanatory statement for each of the special business. It is further declared with reference to the proviso to sub-section 2 of Section 102 of the Companies Act, 2013 that the proposed resolutions do not have any bearing with the business of any other Company. The documents relating to the subject matters under special business are open for inspection by the shareholders during office hours on all working days during business hours at the Registered Office of the Company till the date of the ensuing Annual General Meeting.

For and on behalf of the Board of Director
Sambandam Spinning Mills Limited

Place : **Salem**
Date : **13th August 2026**

S. Natarajan
Company Secretary

SAMBAMDAM SPINNING MILLS LIMITED

BOARD'S REPORT TO THE MEMBERS

Your directors have pleasure in presenting the 52nd Annual Report together with the Audited Accounts for the year ended March 31, 2026.

		(Rupees in Lakhs)	
1	**PERFORMANCE HIGHLIGHTS**	**2025 - 26**	2024 - 25
	Revenue from Operations		
	Direct exports	**1545**	486
	Merchandise exports	**6**	117
	Domestic Sales	**24695**	26135
	Wind Turbine Generator Power sold to third party	**121**	110
	Total Revenue from Operations	**26367**	26848
	Other income	**135**	107
	Total Income	**26502**	26955
	Profit		
	Profit [Profit before interest, depreciation & Tax]	**1287**	1074
	PROFIT BEFORE TAX [PBT]	**(747)**	(1017)
	Less : Provision for Current Tax	**–**	–
	Provision for Deferred Tax	**(173)**	(274)
	PROFIT AFTER TAX [PAT]	**(574)**	(743)

2 **DIVIDEND**

The Directors have not recommended dividend for the year ended 31st March 2026 in view of the loss incurred during the year FY 2025-26.

3 **MANAGEMENT DISCUSSION AND ANALYSIS**

Core business of the company is manufacture and sale of cotton yarn and blended yarn. The management discussion and analysis given below discusses the key issues of the Industry with specific reference to the cotton yarn spinning sector.

Details of changes on following ratios (with reasons for changes if 25 % or more as compared to immediately previous financial year).

Key Financial Ratios :

S.No.	Particulars	2025-26	2024-25	Change(%)	Reasons if change is more than 25%
(a)	Current Ratio (in times)	**1.20**	1.05	14%	
(b)	Debt-Equity Ratio (in times)	**1.73**	1.39	24%	
(c)	Interest Coverage Ratio (in times)	**1.12**	0.94	20%	
(d)	Return on Net worth (in %)	**(6.92)%**	(8.40)%	18%	Due to betterment in profit / loss
(e)	Inventory Turnover Ratio (in times)	**3.27**	3.54	(8)%	
(f)	Debtor Turnover Ratio (in times)	**13.26**	10.55	26%	Due to Improved collection during the year
(g)	Net Profit Ratio (in %)	**(2.18)%**	(2.77)%	21%	
(h)	Operating Profit ratio (in %)	**4.88%**	4.00%	22%	

a. REVIEW OF OPERATIONS:

In spite of world wide disturbances coupled with domestic challenges, company has managed to sustain operating revenue ie from Rs 269 crores (FY 24-25) to Rs 264 crores in FY 25-26. The gross production volume stood at 87.39 Lakhs Kgs during the financial year 2025-26 as against 86.82 Lakhs Kgs of last year.

The sale volume for the FY 2025-26 stood at 90.92 Lakh Kgs as compared to 88.89 Lakh Kgs of last year. Raw material rate decrease is very marginal when compared to steep decrease in selling price during the year and sale had to be made at a lower price to sustain the competitive market conditions. However Company's quality of yarn in value added segment has been well appreciated by the customers and the Company is receiving moderate volume of orders for value added counts.

During the year 25-26, capacity utilisation was in the range of 90 % due to uncertainties in off take that prevailed for quite some time. Further, even though solar power plant was available fully, the power generated could be used only to the extent of yarn production capacity usage as mentioned above. Power generated from green energy source namely Wind mill and Solar power to the extent of 322.98 lakhs Kilo Watt Units have subscribed to the overall power requirements for the manufacture of yarn and this has enabled to sustain the power cost per unit. However in spite of increased production during the year (from 86.82 lakhs kgs in 24-25 to 87.39 lakhs kgs in 25-26), quantitative power consumption has decreased even though there was net work charges imposed by Govt .

b. Trade conditions and Outlook

At the beginning of the year 2025-26, there was a marginal decline in the acreage of cotton across India when compared to previous seasons .However there was gradual increase in the acreage in subsequent periods.

At the beginning of the cotton season 2025-26, the Cotton Association of India (CAI) estimated the cotton crop for the new season at 305 lakh bales, compared to 313 lakh bales in the previous year. However, the revised estimate of cotton arrivals increased to 320 lakh bales

Corporation of India procured nearly 90 lakh bales during the cotton season in the year 2025-26 and has increased the MSP for medium staple cotton and long staple cotton in the range of 8%. Even though there was some correction in cotton prices, the decline in yarn prices was much sharper that resulted in a wider variations in the price and that adversely affected the margins of yarn spinners across India.

Added to above, there was US tariff uncertainty existed during west Asia war crisis and this has affected the exports across Indian companies. Hence Company strategically shifted its focus towards more value-added counts and imported higher-quality cotton when prices were at reasonable levels. This strategy enabled the Company to procure diversified varieties of cotton and this has enabled competitive pricing in yarn .In order to enhance the availability of raw cotton in the domestic market, stabilize cotton prices, and to reduce input costs, the Government of India exempted import duty on cotton from Oct to Dec 2025.This has resulted in a breather to the company on the procurement front .

Therefore it is implied that there are market challenges that create uncertainty in our operating environment. Global economic uncertainty, evolving tariff conditions, changing climatic conditions adversely affect cotton crop yields, cotton price volatility, and constraints on the availability of high-quality cotton, all of these factors introduce a degree of unpredictability that we keep monitoring closely and making best of its management Volatility in cotton prices continues, with both cotton and yarn prices experiencing wide fluctuations.

We expect that in this challenging period, Government will support the Spinning industry in the form of favourable Textile policies, incentives and other benefits which are of paramount importance for the future growth of the Industry. The Company will continue to perform well in the domestic market. The Company has already implemented several cost saving measures which includes power cost from green energy sources and further is in the process of implementing several other cost saving measures, which will make the product more competitive. Market risks are integral part of the growth of this industry. However, the Company frames the effective risk management which helps to mitigate the risks and ensures business sustainability.

The India-UK Free Trade Agreement signed in May, 2025 has opened new export opportunities for the textile industry. Similarly, the India-Europe Free Trade Agreement, hailed as the source of all in textile business that is signed in January 2026, marks a strategic breakthrough in India's global trade

The Company continuously monitors various process parameters and implements robust system controls to deliver consistent quality yarn to end customers and leading brands. Strengthening its product portfolio with more value-added and customized yarn counts such as Mercerized Yarn, Mélange Yarn, and Core Yarn is expected to help mitigate the impact of falling demand for commodity counts. The Company's modernization of spinning mills is expected to drive top-line growth and protect margins during the current year. Further, the Company's initiatives towards sustainable manufacturing practices, including water reuse, zero-liquid-discharge systems, and bio-treatment of wastewater for recycling, reinforce its commitment to environmental sustainability and position it among the leading textile companies globally. The synergies between the Company's spinning is expected to enable it to offer a wide range of textile products with quick turnaround times.

c. ENVIRONMENT PROTECTION, HEALTH AND SAFETY (EHS)

Sambandam spinning Mills acknowledges that climate change is one of the defining challenges of our times. We recognize this opportunity to lead by example. The company has a system in place for measuring, reducing and aims for ultimate elimination of green house gas emissions .The company is committed to reduce green house gas emissions across its operations and value chain and to guide the organization towards a low carbon future and aims to achieve net zero emission in future in alignment with India's National action plan on climate change .As a first step company has already gone for solar power generation and wind power generation in previous years and focuses on recycling of Waste cotton and resource optimization. We demonstrate our dedication to sustainable manufacturing and environmental stewardship. Company recognizes environment protection is fundamental to its survival and also health and safety of employees and workers are of primary importance. Accordingly, company gives importance in all operational and functional areas at all three locations of the Company and ensures accident free period. Further Regular safety audits, periodic safety inspections are carried out by expert agencies in a systematic way and suitable control measures are followed and safe operations are ensured at factory sites. All processes as required for Pollution Control and Environmental Protection are strictly followed.

d. INTERNAL CONTROL AND SYSTEMS

The company has adequate Internal Control Systems in place that commensurate with the size, scale, and complexity of its operations and does the evaluation of risk in board meeting periodically. Internal Auditors are carrying out the audits and advising the management on strengthening of internal control systems then and there. The reports are discussed periodically. Significant audit observations and corrective actions thereon are presented to the Audit committee periodically.

Further the Company is certified with ISO 9001, ISO 14001 and ISO 45001 on the manufacturing systems and the Company's Better Cotton Initiatives and organic cotton yarn is certified by GCL. Further Sambandam Spinning Mills Limited is the approved and preferred customer for following buying houses namely Inditex, C&A, Marco Polo, Amfori@BSCI and MUJI.

e. HUMAN RESOURCES MANAGEMENT

Employee's health and safety involves a wide range of factors such as physical, mental, emotional and social health, which are fully integrated for an individual's overall sense of well-being. At Sambandam an employee- friendly environment is created through its innovative HR Policy where employees feel safe, supported, valued and respected. Company provides necessary resources, policies and practices that promote not only physical health but also psychological and emotional support. Company prioritises employee's well-being experience resulting in better performance. More than that in Sambandam, as a Social cause towards women empowerment and helping the marginalised society, the Policy is framed and followed continuously in true letter and spirit by the Promoters of the company, ever since the inception of the Company

f. DISCLOSURE ON PREVENTION OF SEXUAL HARASSMENT POLICY OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and also for the matters incidental thereto. The Company has accordingly adopted the policy against Sexual Harassment of Women at Workplace, for the purpose of preventing, prohibiting and redressing sexual harassment of female employees at all the workplace within the Company which are based on fundamental principles of justice and fair play. Internal Complaints Committee under the sexual harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, has been formed and complied with. Further, Anti Sexual Harassment Committee constituted at each unit shall be responsible for redressal of complaints related to sexual harassment. The details of all such Complaints and its proper redressal through prompt corrective steps are informed to the Top Management so as to ensure that suitable processes and mechanisms are put in place to ensure that issues of sexual harassment, if any, are effectively addressed.

1) No of sexual harassment complaints received during the year = Nil
2) Number of complaints disposed off within the year = Nil and NA
3) No of complaints pending for more than 90 days = Nil

The company is in full compliant with respect to the provisions relating to the Maternity Benefit act 1961

g. COST AUDIT

In view of applicability of maintenance of cost records and cost audit for the company, cost audit for year 2025-26 is completed in time and the same is submitted by the auditor to the board of Directors and the same shall be filed with MCA.

Board of directors have approved the appointment of Dr. C. Dhanapal, Practising Cost Accountant (Membership Number : 14293) Cost Accountants for audit of cost accounts of the Company. In accordance with the provisions of the Companies Act 2013 and the Rules framed there under, Cost Audit for the Company is applicable for the financial year 2026 - 27 and the resolution for ratification of the remuneration payable to the Cost Auditor for the year 2026-27 is placed before the members in the notice of this AGM for ratification.

In view of the Company maintaining the cost records and the statutory requirement for the cost audit of such records, Cost Audit for the year 2026-27 shall be conducted.

h. BOARD MEETINGS :

During the year under review Four board meetings were held and the intervening gap between any two board meetings did not exceed 120 days or extended permitted days by Government. Dates of the board meetings and details of directors' attendance at the meetings are furnished in the Corporate Governance report at Annexure – VII.

i. DIRECTORS

During the year no changes took place in the composition of Board of Directors (including Independent Directors). The tenure (second term - five years) of existing two Independent Directors Dr.V.Sekar (DIN 23128187) and Sri.D.Balasundaram (DIN 07800844) is getting completed by the end this 52 nd AGM and as per companies Act 2013 and SEBI (LODR). To keep the board composition as required by companies act 2013 and also in compliance with SEBI (LODR) there is a requirement to appoint two new directors effective from conclusion of this 52 nd AGM, for which Sri.TCA Srinivasa prasad (DIN 05228526) and Sri S.Prakash (DIN 00941374) have been identified ,recommended by NRC and appointed by the board from the prospective period as mentioned in the resolutions .Accordingly, suitability of such new directors proposed is given in the explanatory statement of this Annual report and for approval in respective resolutions.

The Company has adequate Independent Directors in compliance with the Act and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Hereinafter referred to as Listing Regulations). Familiarization Program on the Company and its operation was conducted for the Independent Directors periodically during every meeting .Requisite declaration from the Independent Directors of the Company under Section 149 (7) of the Act confirming that they meet with the criteria of their Independence laid in Section 149 (6) have been obtained. The Board is of the opinion that the Independent Non-Executive Directors of the Company possess requisite qualifications, expertise and experience and they hold highest standards of integrity.

Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Act are covered under Nomination and Remuneration Policy and it is available in the web-link of the Company http://www.sambandam.com/results/SSM-NRP-2015.pdf. Further, information about elements of remuneration package of individual directors is provided in the Annual Return as provided under Section 92(3) of the Act, Under Serial No. 9 of this Report.

Declaration by Independent Directors

Independent directors of the Company have submitted a declaration that each of them meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Act. Further, there has been no change in the circumstances which may affect their status as Independent director during the year.

Declaration on adherence to the Code of Conduct.

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board members and senior management personnel of the Company have confirmed adherence to the Code of Conduct of Sambandam Spinning Mills Ltd., Limited for the financial year ended March 31, 2026.

j. DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 134(5) OF THE COMPANIES ACT, 2013

Pursuant to the requirement of Section 134(5) of the Act, and based on the representations received from the management, the directors hereby confirm that:

a) in the preparation of the annual accounts for the financial year 2025-26, the applicable accounting standards Ind AS have been followed and there are no material departures;

b) they 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 loss of the Company for the financial year;

c) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and

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

k. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review no orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and the operations of the Company.

l. PARTICULARS OF EMPLOYEES - information pursuant to Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

None of the employees (other than the Directors and KMPs whose remuneration is displayed in “s” page no. 31 below) of the Company has drawn remuneration exceeding Rs 8.5 lakhs per month or Rs 102 lakhs per annum during the year.

Managerial Remuneration

Statistical Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with subsequent amendments thereto is annexed (in page no. 48) with this report and forms part of this report.

m. Related Party Transactions :

All Related Party Transactions that were entered into during the financial year were only at arm's length basis in the ordinary course of business, whose accounts is placed before the shareholders at the General Meeting for approval. However, as per regulatory requirements an omnibus approval from the audit committee for such transactions has been obtained. The Company has not entered into any new contract / arrangement during the year with related parties except the one mentioned in form AOC 2 to this annual report. Further the details of such transactions with related parties have been disclosed in Notes to the Standalone Financial Statement forming an integral part of this Annual Report. The Transactions as required under Indian Accounting Standards ‘Ind AS-24 are reported in Note 46 of the Notes to Accounts of the Standalone Financial Statements. The Company's Policy on dealing with related party transactions is available on the Company's website http://www.sambandam.com/results/RPT-Policy.pdf.

n. BOARD EVALUATION

Your Company has in place a Policy relating to selection, remuneration and evaluation of Directors and Senior Management.. The said Policy is available on the website of the Company Pursuant to the provisions of the Companies Act,2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors

During the year under review, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance at Board Meetings and General Meetings; participation in Board proceedings; independence and candidness shown at meetings; clarity and objectiveness in expressing views at meetings; awareness of governance code, compliance requirements, risk framework, etc. interactions with other Directors / Senior Management during and outside meetings; keenness to continuously familiarize with the industry and the Company etc.

Outcome of evaluation process

Based on inputs received from the members, it emerged that the Board had a good mix of competency, experience, qualifications and diversity. Each Board member contributed in his/her own manner to the collective wisdom of the Board, keeping in mind his/her own background and experience. The necessary disclosures under SEBI Regulations given hereunder:

a. Observations of Board evaluation carried out for the year 25-26
   i. All compliance parameters as per SEBI circular have been full filled
   ii. Activities during 25-26 is discussed in management discussion and analysis

b. Previous year 24-25 observations and action taken
   i. Identified objectives yet to be achieved and to strive to achieve same

c. Proposed actions for 26-27 based on current year observations
   i. All backlog objectives to be achieved
   ii. Cost competitiveness Bench marking exercise to be initiated
   iii. Detailed relevant marketing strategy to be initiated based on current and future trends

o. FAMILIARIZATION PROGRAMME OF THE INDEPENDENT DIRECTORS

The Directors are provided with all the documents to enable them to have a better understanding of the Company, its various operations and the industry in which it operates. All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. Executive Directors and Senior Management provide an overview of the operations and familiarize Non- Executive Directors on matters related to the Company's values and commitments. Strategic presentations are made to the Board where Directors get an opportunity to interact with Senior Management. Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. The Statutory Auditors and Internal Auditors of the Company make presentations to the Board of Directors on Financial Statements and Internal Controls. They will also make presentations on regulatory changes from time to time. The Company Secretary provides an update on Regulatory Changes along with the Board Agenda. The details of the familiarization program me are available on the website of the companyPresentations during every quarter are made by Senior Management and Internal Auditors at the Board meetings and Committee meetings on the business and performance updates of the Company, local and global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated then and there to all the Directors including the Independent Directors.

p. DEPOSITS

The following are the details of deposits (accepted / renewed from the shareholders) covered under Chapter V of the Companies Act 2013.

i. Deposits at the beginning of the year on 1st April, 2025 : Rs 942.81 lakhs
ii. Deposits Accepted from shareholders during the year (2025-26) : Rs 202.90 lakhs
iii. Deposits repaid to shareholders during the year (2025-26) : Rs 55.70 lakhs
iv. Deposits of shareholders outstanding at the end of the financial year on 31st March, 2026 : Rs 1090.01 lakhs
v. Remained unpaid or unclaimed as at the end of the year : NIL
vi. Any default in repayment of deposits or payment of interest thereon during the year : NIL
Company has duly complied with the provisions of section 73 of the Companies Act, 2013 read with relevant rules with respect to fixed deposits.

The following are the details of deposits and interest free unsecured loan accepted from the Directors which is not covered under definition of deposits Rules.

i. Beginning of the year on 1st April, 2025 : Rs 732.00 lakhs
ii. Accepted from Directors during the year (2025-26) : Rs 299.00 lakhs
iii. Repaid to Directors during the year (2025-26) : 299.00 lakhs
iv. Outstanding at the end of the financial year on 31st March, 2026 : Rs732.00lakhs
v. Remained unpaid or unclaimed as at the end of the year : NIL
vi. Any default in repayment of deposits or payment of interest thereon during the year : NIL

q. INDUSTRY ASSOCIATIONS

Sri S. Dinakaran, Joint Managing Director of the Company is a special invitee in the Committee of Administration and Yarn Committee of the Cotton Textiles Export Promotion Council (TEXPROCIL), Mumbai. He is also a director in Confederation of Indian Textile Industry (CITI), Delhi. By virtue of the offices he holds, Sri S. Dinakaran has been representing to SIMA at the appropriate time to get relief to the ailing Textile Industry. Further to above, he keeps attending Live textile exhibition and represent spinning Industry and company scenarios.

r. REPORT ON PERFORMANCE AND FINANCIAL POSITION OF THE ASSOCIATE COMPANIES

There is one associate Company.

SPMM Health Care Services Pvt. Ltd. - 49.75% investment in the share capital of that Company.

This Company has recorded total revenue of Rs 367.01 Lakhs and profit after tax (PAT) of Rs 15.28 Lakhs for the year ended 31.03.2026 as against Rs 326.75 Lakhs Revenue and Rs 17.25 Lakhs PAT recorded in the previous year 2024-25.

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES OR ASSOCIATE COMPANIES

SPMM Health Care Services Pvt Ltd., revenue increased marginally by 12.32 % from operations during 25-26 when compared to 24-25 and the Net profit after tax has decreased by 11.27 %due to operational cost increase reasons.

s. CHANGES OR COMMITMENTS AFTER THE YEAR ENDED ON 31.3.2026

No material change or commitments affecting the financial position of the company has occurred between the close of the financial year on 31.3.2026 and the date of this report Information

Pursuant to section 197 (12) of the Act read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial personnel) Rules 2014 :

(i) Ratio of the remuneration of each Director, Chief Technical Officer, Chief Marketing Officer, Chief Financial Officer and, Company Secretary to the median remuneration of the employees of the Company is tabulated below

(ii) Percentage increase in their remuneration in 2025-26 as compared to the previous year (2024-25): (Median Remuneration : Rs 1,50,400 in 2025-26).There is no change (no increase) in the remuneration of directors and KMPs during the year 25-26

Name of whole-time Directors and KMP	Remuneration % increase in 2025-26	Ratio to Median Remn.	Ratio of 2025-26 Remuneration to	
			Revenue	Net Profit
Sri S.Devarajan, Chairman and Managing Director	0%	79.80	0.46%	Not applicable due to loss
Sri S.Jegarajan, Joint Managing Director	0%	77.40	0.44%	
Sri S.Dinakaran, Joint Managing Director	0%	49.47	0.28%	
Sri D.Niranjan Kumar, Director - Marketing	0%	31.92	0.18%	
Sri J.Sakthivel, Director - Technical	0%	31.92	0.18%	
Sri P.Boopalan, Chief Financial Officer	0%	19.95	0.11%	
Sri S.Natarajan, Company Secretary	0%	10.77	0.06%	

Note : 1. All appointments are contractual
2. Remuneration includes salary, perquisites

Name of Non-executive Directors	# Sitting fees in 2025-26 Rs. lakhs	# Sitting fees in 2024-25 Rs. lakhs
Mr. D.Sudharsan -	0.50	0.75

Name of Independent Directors	# Sitting fees in 2025-26 Rs. lakhs	# Sitting fees in 2024-25 Rs. lakhs
Dr. V.Sekar	2.85	3.35
Mr. D.Balasundaram	2.85	3.10
Mr. S.Gnanashekaran*	–	1.80
Mr. Kameshwar M Bhat*	–	1.80
Smt. Annapoorani Venugopalan	2.85	2.30
Mr. S.Bhaskaran	2.85	2.30
Mr. M.Gopalakrishnan	2.85	1.55
Mr. T.Padmanabhan	2.85	1.55

Only sitting fees is payable to Non-executive and Independent Directors for the meetings of the Committee or of the Board attended by them.

(a) Variation in the sitting fees paid to Directors depends on their attendance at the Board / Committee Meetings.

(b) * These two directors tenure was over in FY 2024-25 and not applicable in FY 2025-26

(iii) Number of permanent employees on the rolls of the Company **: 1421**

(iv) No variable component of the remuneration to any director.

4 **AUDITORS**

At the 48th Annual General Meeting held on 23.09.2022, M/s P.N Raghavendra Rao & Co, Chartered Accountants, Firm Registration No. FRN : 003328S were appointed as statutory Auditors of the Company upto conclusion of 53rd AGM. Statutory Auditor M/s P.N. Raghavendra Rao & Co., Chartered Accountants have confirmed their eligibility to remain as Auditors for the year 2026-27. The report of the Statutory Auditors (appearing elsewhere in this Annual Report) is made available in the Annual report

5 **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in note 50 to the notes to the financial statements.

6 **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has an established vigil mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The Company affirms that no personnel have been denied access to the audit committee. The Company has formulated a Policy on Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matter after becoming aware of the same. All suspected violations and Reportable Matters are reported to an Independent Director and member of the Audit Committee and suitable directions/actions are informed to the Managing Director of the Company.

The Company has adopted Whistle Blower Policy in line with the provisions of Section 177(9) of the Companies Act 2013 which can be accessed on the Company's Website under the web link http://www.sambandam.com/results/SSML-WB-POLICY-Ver-2-0-2024.pdf.

7 **AUDIT COMMITTEE :**

Details of Composition of Audit committee are covered under corporate governance report annexed with this report and forms part of this report. Further, during this year all the recommendations of the Audit committee have been accepted by the Board.

8 **REPORTS OF STATUTORY AUDITORS AND SECRETARIAL AUDITORS**

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI). As required by the Act, a Secretarial Audit Report issued by a Company Secretary in practice (PCS), a Peer Reviewed Unit, in Form MR 3 is annexed with this report (Annexure VI) and it does not contain any qualification. Certificate from PCS that none of the Directors are debarred or disqualified forms part of this Annual Report. Secretarial Compliance Report certifying compliance of Listing Regulations has been obtained and annexed as part of this report and the same is also filed with the Stock Exchanges. Audit Reports of the Statutory Auditors and the Secretarial Auditors for the year under review are free from any qualification, reservation or adverse remark or disclaimer.

9 **EXTRACT OF ANNUAL RETURN**

In Accordance with Section 92(3) of the Companies Act, 2013, read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, web link of such Annual Return is http://www.sambandam.com/results/2026-08-30-MGT-7-2025-26.pdf.The weblink of the Annual return for the year ended 31.3.2026 shall be uploaded on same weblink upon filing of same in MCA after AGM date.

10. TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND ACCOUNT :

Pursuant to the provisions of section 124 of the Companies Act, 2013, which came in to effect from 07.09.2016, the declared dividends which remained unpaid or unclaimed for a period of seven years, has to be transferred by the company to the Investor Education and Protection Fund (IEPF) established by the Central Government. During the year 2025-26, transfer of Unclaimed Dividend of the year 2017-18 was applicable since dividend was declared for the financial year 17-18.

Further, shareholders are requested to take note that as per IEPF rules, the company is required to transfer unpaid dividend and underlying shares also in respect of which final dividend was not claimed of the year 18-19, to IEPF authority. Shareholders who have not claimed their dividend of the year 18-19 can write to the Company or Registrar and transfer agent M/s Cameo Corporate Services Limited, at 'Subramanian Building', No.1, Club House Road, Chennai – 600 002 who are the Registrars and Share Transfer Agents (RTA) of the Company for further details and for claiming unclaimed dividend lying unpaid. In case no valid claim is received, the dividend and shares in respect of which the dividend are lying unpaid / unclaimed will be transferred to IEPF authority on the due date. Further in terms of rule 6(3) of the IEPF rules, statement containing the details of shareholders who have not claimed dividend for previous years, and his folio number /DP-ID /client ID is made available on company's website for information and necessary action by shareholder. In case, the concerned shareholder wish to claim the shares after transfer to IEPF, an application has to be made to the IEPF authority in form IEPF- 5 online and submit the hard copy of such form IEPF -5 along with necessary documents to the company as prescribed under the rules and the same is available at IEPF website (ie) www.iepf .gov.in.

Dividend year	Date of declaration of dividend	Due date for transfer to IEPF
18-19	11.08.2019	07.09.2026
19-20	Dividend not declared	Not applicable
20-21	25.09.2021	22.10.2028
21-22	24.09.2022	21.10.2029
22-23	Dividend not declared	Not applicable
23-24	Dividend not declared	Not applicable
24-25	Dividend not declared	Not applicable

Annexures to this Board Report

The following are the annexures to this report

a. Statement containing salient features of the financial statement of associate company (Form AOC – 1) in Annexure - I
b. Form AOC - 2 in Annexure - II
c. CMD / CFO Certification in Annexure - III
d. Conservation of energy, technology absorption, Research and development and foreign exchange earnings and outgo in Annexure - IV
e. Details of CSR Expenditure in Annexure - V
f. Secretarial Audit Report (Form MR-3) and Annual secretarial compliance report -in Annexure - VI
g. Corporate Governance Report in Annexure - VII

11. CAUTIONARY NOTE

Statements in the Board's report and the management discussion and analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations including global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other related factors such as litigation and industrial relations.

12 ACKNOWLEDGEMENT

Your directors thank the Company's customers, vendors , bankers and investors for their continued support during the year. Your directors place on record their appreciation for the contribution made by the employees at all levels. Your Company's consistent growth but for the market conditions has been made possible by the hard work, solidarity, cooperation and support of the management team.

Your directors thank Canara Bank, Karnataka Bank Limited, HDFC bank, South Indian Bank, CSB Bank, ICICI bank and the State and Central Government departments for their support, and look forward to their continued support in future

For and on behalf of the Board
S. Devarajan
Chairman and Managing Director
DIN : 00001910

Salem
August 13, 2026

FORM AOC - 1 **ANNEXURE - I**

PART A: SUBSIDIARIES

Not Applicable since the Company does not have any subsidiary.

PART B: ASSOCIATES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Sl. No.	Name of Associate	SPMM Healthcare Services P Ltd CIN:U85110TZ2003PTC010761	
1.	Latest audited Balance Sheet Date	31-03-2026	31-03-2025
2.	Date on which the associate or JV was associated or acquired Shares of Associate held by the Company on the year end:	10-09-2003	10-09-2003
3.	Number of Shares Amount of Investment in Associates (Rs.) Extent of Holding %	19,90,000 1,99,00,000 49.75%	19,90,000 1,99,00,000 49.75%
4.	Description of how there is significant influence	Associate Company	
5.	Reason why the associate / joint venture is not consolidated	Not Applicable	
6.	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. in lakhs)	222.97	215.37
7.	Profit / (Loss) for the year (Rs. in lakhs) Profit/(Loss) attributable to the Shareholding (Rs.in lakhs)	15.28 7.60	17.25 8.58

1. Names of associates or joint ventures which are yet to commence operations : NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year : NIL
3. The Company does not have any joint venture.

For **P.N. Raghavendra Rao & Co**
Chartered Accountants
Firm Registration No.003328S

Pon Arul Paraneedharan
Partner,
Membership No. 212860

Salem
August 13, 2026

For and on behalf of the Board

S. Devarajan
Chairman and Managing Director
DIN : 00001910

S. Dinakaran
Joint Managing Director
DIN : 00001932

S. Natarajan
Company Secretary

P. Boopalan
Chief Financial Officer

FORM NO. AOC–2 **ANNEXURE - II**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and 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 arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis : **NIL**
2. Details of contract or arrangement or transactions at arm's length basis (as on 31.03.2026) as per below note :

Particulars	Details of existing contract /arrangements / transactions
a) Name of the related party and nature of relationship	# M/s Sambandam Fabrics Private Limited CIN : U17219TZ985PTC001612 Relationship : Chairman and Managing Director Sri S.Devarajan is Director in Sambandam Fabrics Private Limited
b) Nature of Contract / arrangements / transactions	Took lease of land and other infrastructural facilities of that land
c) Salient terms of the contracts or arrangements or transactions including the value, if, any	Took lease of land and other infrastructural facilities of that land with lease rent of Rs.10,000/ per month.
d) Date of further approval by the Board	14.02.2026
e) Amount paid as lease rent advances, if, any	Nil
f) Lease rent	Monthly rent of Rs.10,000
g) Date of execution and duration	Lease deed executed on 09.11.2024, for eleven months and renewable periodically

NOTE :

During the FY 2025-26, the Company entered into transactions with Related Parties which were in the ordinary course of business and at Arm's Length pricing basis and are repetitive in nature. The Audit Committee granted omnibus approval for these transactions and the same was reviewed by the Audit Committee and the Board of Directors. Details of material related party transactions pursuant to the provisions of section 188 of the Companies Act, 2013 read with relevant rules along with material related party transactions under SEBI Regulations and the other related party transactions (which are of repetitive nature and does not fall under the purview of disclosure under Form AOC – 2) carried out during the FY 2025-26 by the Company are given in note 46 to the Notes to the Standalone financial statements under Ind AS 24 disclosures. There were no other materially significant transactions with Related Parties during the financial year 2025-26 which were in conflict with the interest of the Company

For and on behalf of the Board
S. Devarajan

Salem
August 13, 2026

Chairman & Managing Director
DIN : 00001910

ANNEXURE - III

TO
BOARD OF DIRECTORS
SAMBANDAM SPINNING MILLS LIMITED

CERTIFICATION UNDER REGULATION 17(8) OF SEBI (LODR) 2015, BY CHAIRMAN & MANAGING DIRECTOR (CMD) AND CHIEF FINANCIAL OFFICER (CFO) TO THE BOARD

We, S.Devarajan, Chairman and Managing Director and P.Boopalan, Chief Financial Officer of Sambandam Spinning Mills Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year 2025-26 and that to the best of our knowledge and belief:
   a) these statements do not contain any materially untrue statement or omit any material fact or do not contain statements that might be misleading;
   b) these statements together present a true and fair view of the state of affairs of the company and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and the audit committee are apprised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We have indicated to the auditors and to the audit committee:
   a) All Significant changes in internal control over financial reporting during the year;
   b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
   c) No instance of significant fraud of which we have become aware of and which involve management or other employees having significant role in the companies internal control system and financial reporting. There was no such instance in the FY 25-26.

Salem	**P. Boopalan**	**S. Devarajan**
August 13, 2026	Chief Financial Officer	Chairman and Managing Director
		DIN : 00001910

ANNEXURE - IV

Conservation of energy, technology absorption and research and development and foreign exchange earnings and outgo

Company has done many Green Environment Initiatives

Company has already implemented projects for conservation of electricity via green energy projects namely Wind Mill energy source to the extent of 12.35 MW, Solar power energy source to the extent of 8.79 MW (via roof top and Land mounted) totaling to 21.14 MW during earlier years the benefit of which is being reaped year on year Such green energy source is being used for captive consumption resulting in effective power cost management. Further company makes recycling of internal resources such as rain water harvesting and waste cotton emanated from the manufacturing process.

			2025-26	2024-25
A.	**Conservation of energy**			
(a)	**Power and fuel consumption**		**2025-26**	2024-25
1.	**Electricity**			
(i)	Total units	'000 KWH	**43373**	43302
	Total gross cost	Rs. lakhs	**3675**	3636
	Cost/unit	Rs.	**8.47**	8.39
1)	Through diesel generator			
	Generated units	'000 KWH	**32.94**	22.08
	Units per litre of diesel	KWH	**3.12**	2.94
	Cost/unit *	Rs.	**29.90**	33.73
2)	Through solar power	'000 KWH	**14665**	14704
	Cost/unit *	Rs.	**4.33**	4.76
3)	Through Wind energy converters			
	Generated units	'000 KWH	**19990**	18939
	Cost/unit *	Rs.	**2.17**	2.19
	*Cost includes maintenance charges, interest and depreciation			
2.	**Furnace oil**		**–**	–
3.	**Others**		**–**	–
(b)	**Consumption per unit of production**			
	Production (yarn) - net	Kgs. lakhs	**86.10**	82.12
	Consumption of electricity	'000 KWH	**43373**	43302
	Consumption per kg. of Yarn	KWH	**5.04**	5.27

B. Technology absorption and research and development – –

(a) The Company is a member of Various industry association such as TASMA (Tamil Nadu Spinning Mills Association), TEXPROCIL (The Cotton Textiles Export Promotion Council), and a host of other association in the industry SITRA (South India Textile Research Association) and is being benefited from their R & D activities. Significant improvements have been made in the quality of the melange yarn

The latest technology has been/is being adopted in various stages

(b) The benefits derived as a result of above efforts Increase in productivity product quality and reduction in consumption of power / Kg

C. Foreign exchange earnings and outgo

			2025-26	2024-25
(a)	Activities relating to exports			
	Yarn total exports (including merchandise exports)	Rs. lakhs	**1550.88**	602.75
(b)	Total Foreign exchange used and earned			
1)	CIF value of Imports			
	Capital goods	Rs. lakhs	**111.58**	–
	Spares for Capital goods	Rs. lakhs	**4.32**	–
	Raw materials – cotton exclusive of net exchange difference	Rs. lakhs	**485.89**	63.67
2)	Other expenditure in foreign currency			
	Travel	Rs. lakhs	**4.83**	9.29
	Interest	Rs. lakhs	**–**	–
	Other matters	Rs. lakhs	**3.58**	2.18
3)	Foreign exchange earned			
	Yarn export	Rs. lakhs	**1543.90**	485.19
	Freight recovery	Rs. lakhs	**1.12**	0.88

For and on behalf of the Board

Salem
August 13, 2026

S. Devarajan
Chairman & Managing Director
DIN : 00001910

ANNEXURE - V

CFO certification as required under Companies (CSR policy amended rules 2021) Rule 4 (CSR implementation) sub rule (5)

To
The Board of Directors
Sambandam Spinning Mills Limited
P.B.No.1, Kamaraj Nagar Colony,
Salem - 636014

This is certify that an amount of Rs 3.62 lacs has been disbursed and utilised for CSR expenditure (even though there was no obligation on this during FY 25-26 pursuant to sec 135 of companies Act 2013)as approved and monitored by the CSR committee and by Board of Directors, during the period 1 st April 2025 to 31st March 2026.

The books of accounts and other records of CSR expenditure, as available with the company ,gives reasonable assurance about the utilization of the funds disbursed by the company towards providing artificial limbs to differently abled persons through Mukti M.S DADHA Foundation and for other approved CSR activities as described in the Schedule VII of Companies Act 2013

Salem
August 01, 2026

P. Boopalan
Chief Financial Officer

CSR reporting under Companies (CSR policy amended rules 2021) Rule 8 (CSR Reporting) sub rule (1)

1. Brief outline on CSR Policy of the Company.

The activities or projects that will be undertaken by the Company shall include one or more of the activities specified in CSR Policy. This policy encompasses the Company's philosophy for fulfilling its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for carrying out socially useful activities/projects and programmes for welfare, sustainability and development of community at large.

The company has been carrying out Corporate Social Responsibility (CSR) activities for a long time through the S.Palaniandi Mudaliar Charitable Trust, and the Trust for Mentally Challenged Children, which are registered autonomous charitable trusts, in the field of Education and Healthcare, while also pursuing CSR activities for the benefit of the community in and around Salem.

The company seeks to improve the lives of the underprivileged by supporting and engaging in activities that aim at improving their well-being. Promoters of the Company have dedicated to the cause of empowering people, educating them and in improving their quality of life. While they undertake programmes based on the identified needs of the community, education and healthcare remain their priority. Across the different programmes areas identified by the trust, its main endeavor is to reach the underprivileged and the marginalised sections of the society to make a meaningful impact on their lives.

1) The policies shall be oriented towards Promoting preventive health care facilities to economically backward societies,
2) Promoting education and Sustainable livelihood to differently abled people.
3) Provision of Skill Development / Vocational Training,
4) Rural Development and Environmental sustainability,
5) Promoting Rural Sports, Traditional Arts & Culture

2. Composition of CSR Committee :

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	S.Devarajan	Chairman and Managing Director as Chairman	1 (one)	1 of 1
2.	D.Balasundaram	Independent Director as Member	1 (one)	1 of 1
3.	S.Jegarajan	Joint Managing Director as Member	1 (one)	1 of 1
4.	S.Dinakaran	Joint Managing Director as Member	1 (one)	1 of 1

3. Provide the web-link where Composition of CSR committee, CSR policy, projects approved by board are disclosed in website of the Company. e web link http://www.sambandam.com/investors/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). – NOTAPPLICABLE – since the CSR obligation amount is less than threshold Limit of Rs 1000 lakhs.

5. a) Average of previous three years net profit of the company as per section 135(5) Rs (1216.10) lakhs
b) Two percent of average net profit of the company as per section 135(5) Rs (24.32) lakhs
c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. -NIL-
d) Amount required to be set off for the financial year, if any Rs Nil lakhs
e) Total CSR obligation for the financial year (b+c-d). Rs 0.00 lakhs

6. a) Amount spent on CSR Project (both Ongoing Project and other Ongoing Project) Rs 3.62 lakhs
b) Amount spent in Administrative Overheads -
c) Amount spent on Impact Assessment, if applicable -
d) Total amount spent for the Financial Year (a+b+c) Rs 3.62 lakhs
e) CSR amount unspent for the Financial Year -NIL-

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
3.62 lakhs	–	–	–	–	–

f) Excess amount for set off, if any :

Sl. No.	Particular	Rs. in lakhs
(i)	Two percent of average net profit of the company as per section 135(5)	(24.32)
(ii)	Total amount spent for the Financial Year	3.62
(iii)	Excess amount spent for the financial year [(ii)-(i)]*	3.62
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3.62

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section (6) of section 135 (in Rs.)	Balance Amount in unspent CSR Account under section (6) of section 135(in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any.		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs).	Date of transfer		
1.	2022-23	–	–	–	–	–	Nil	–
2.	2023-24	–	–	–	–	–	Nil	–
3.	2024-25	–	–	–	–	–	Nil	–
	TOTAL	**–**	**–**	**–**	**–**	**–**	**Nil**	**–**

8. Whether any Capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year : No

If Yes, enter the number of Capital Assets created / acquired : NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year

Sl. No.	Short Particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the register owner s		
					CSR Registration Number, If applicabel	Name	Registered address
	Not Applicable						

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : Not applicable

Salem
August 13, 2026

S.Devarajan
Chairman and Managing Director
DIN : 00001910

S.Dinakaran
Joint Managing Director
DIN : 00001932

P.Boopalan
Chief Financial Officer

SCHEDULE - VI

KUVS & ASSOCIATES
COMPANY SECRETARIES
OFFICE: 29, PANDAMANGALAM AGRAHARAM,
WORIUR, TRICHY - 620003.
PHONE: 0431-2761590. Email: bkksofffice@gmail.com

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
M/s.Sambandam Spinning Mills Limited
Mill Premises, P.B.No.1, Kamaraj Nagar,
Salem-636014

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s.Sambandam Spinning Mills Limited, Salem-636014 (hereinafter referred to as “the Company”).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31st March 2026, 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) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealings with client;

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

(i) Secretarial Standards with respect to the meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the year under report, the Company did not attract the provisions of:

(i) 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;

(ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

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

b) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

We 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.

Adequate notice with agenda items supported by detailed notes thereon is given to all Directors to schedule the Board Meetings and Committee meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings. One board meeting was held at shorter notice with the consent of all the directors.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. But there were no dissenting views during the year under report.

We 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.

We further report that during the audit period the Company had no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., referred to above

FOR **KUVS & ASSOCIATES**
COMPANY SECRETARIES

CS (V. SANKAR) PARTNER
PRACTISING COMPANY SECRETARY
C.P. No.: 26960. M. NO. A7677
UDIN : A007677H001082146
Peer Review Cert No.: 6318/2024
ICSI Unique code: P2024TN102800

PLACE : TIRUCHIRAPALLI
DATE : 13-08-2026.

Note : This report has to be read along with the Annexure which forms an integral part of this report.

KUVS & ASSOCIATES
COMPANY SECRETARIES
OFFICE: 29, PANDAMANGALAM AGRAHARAM,
WORIUR, TRICHY - 620003.
PHONE: 0431-2761590. Email: bkksofffice@gmail.com

**ANNEXURE TO SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2026
OF
M/s. SAMBANDAM SPINNING MILLS LIMITED**

1. Maintenance of secretarial records with reference to the provisions of the Companies Act, 2013 & the Rules thereunder and the maintenance of records with reference to other applicable laws is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our audit regarding compliance thereof by the Company and verification of procedure on test basis.

2. The audit was conducted in accordance with applicable Standards issued by the Institute of Company Secretaries of India. We have followed the audit practices and procedures as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. 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 Secretarial Audit. The verifications were done on a random test basis to ensure the correctness of the facts reflected in the records.

3. We have obtained the Management representation about the compliance of Laws, Rules and Regulations and occurrence of events. As per the Management representation furnished to us there is no law exclusively applicable for this Company other than all Laws applicable for Manufacturing Industries and hence there is no report to be given therefor.

4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR **KUVS & ASSOCIATES**
COMPANY SECRETARIES

CS (V. SANKAR) PARTNER
PRACTISING COMPANY SECRETARY
C.P. No.: 26960. M. NO. A7677
UDIN : A007677H001082146
Peer Review Cert No.: 6318/2024
ICSI Unique code: P2024TN102800

PLACE : TIRUCHIRAPALLI
DATE : 13-08-2026.

KUVS & ASSOCIATES
COMPANY SECRETARIES
OFFICE: 29, PANDAMANGALAM AGRAHARAM,
WORIUR, TRICHY - 620003.
PHONE: 0431-2761590. Email: bkksofffice@gmail.com

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)

1. We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. SAMBANDAM SPINNING MILLS LIMITED having CIN: L17111TZ1973PLC000675 and having registered office at MILL PREMISES, P.B. NO. 1, KAMARAJ NAGAR, SALEM - 636014 (hereinafter referred to as 'the Company'), produced to us 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.

2. In our opinion and to the best of our 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 us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below as on the date of Financial Year ended on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of the company by the Securities and Exchange Board of India and/or the Registrar of Companies or such other authorities under the Ministry of Corporate Affairs, New Delhi.

Sl. No.	Name of the Director as per DIN	DIN	Date of appointment in the Company
1.	Sri. Devarajan Sambandam	00001910	01-04-2005
2.	Sri. Dinakaran Sambandam	00001932	01-04-2005
3.	Sri. Jegarajan Sambandam	00018565	01-04-2005
4.	Sri. Sudharsan Devarajan	00018546	01-04-2005
5.	Sri. Balasundaram Doraisami	07800844	06-05-2017
6.	Sri. Sekar Venkatesan	03128187	25-03-2017
7.	Smt. Annapoorani Venugopalan	08276668	11-11-2018
8.	Sri. Bhaskaran Subramanian	09241221	14-08-2021
9.	Sri. Jegarajan Sakthivel	09241285	20-08-2021
10.	Sri. Dinakaran Niranjan Kumar	09241514	20-08-2021
11.	Sri.Mahadevan Gopalakrishnan	00091875	11-08-2024
12.	Sri. Padmanabhan	10739085	11-08-2024

3. It is the responsibility of the Board of Directors of the Company to ensure the eligibility for the appointments of Directors and their continuance as Directors on the Board. Our responsibility is to express an opinion on the matter of non-disqualification of Directors in the Board

FOR **KUVS & ASSOCIATES**
COMPANY SECRETARIES

CS (V. SANKAR) PARTNER
PRACTISING COMPANY SECRETARY
C.P. No.: 26960 M. NO. A7677
UDIN : A007677H001082181
Peer Review Cert No.: 6318/2024
ICSI Unique code: P2024TN102800

Place : TRICHY
Date : 13-08-2026

KUVS & ASSOCIATES
COMPANY SECRETARIES
OFFICE: 29, PANDAMANGALAM AGRAHARAM, WORIUR, TRICHY - 620003.
PHONE: 0431-2761590. Email: bkksofffice@gmail.com

SECRETARIAL COMPLIANCE REPORT OF
M/s. SAMBANDAM SPINNING MILLS LIMITED,
KAMARAJ NAGAR, P.B. NO.1,SALEM 636014
(CIN: L17111TZ1973PLC000675) for the year ended 31-03-2026

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by M/s. SAMBANDAM SPINNING MILLS LIMITED, (hereinafter referred as 'the listed entity'), having its Registered Office at "KAMARAJ NAGAR, P.B. NO.1, SALEM 636014. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2026, complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

We have examined:

(a) all the documents and records made available to us and explanation provided by **M/s. SAMBANDAM SPINNING MILLS LIMITED,** ("the listed entity")

(b) the filings/ submissions made by the listed entity to the Stock Exchange,

(c) website of the listed entity, for the year ended 31-03-2026 in respect of compliance with the provisions of :

(i) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(ii) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), the Rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include :-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

(c) Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

(d) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003;

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealings with client;

Based on the above examination, we hereby report that, during the Review Period the compliance status of the listed entity is appended-(Vide Annexure A). This report has to be read along with Annexures A and B appended to this report.

FOR **KUVS & ASSOCIATES**
COMPANY SECRETARIES

CS (V. SANKAR) PARTNER
PRACTISING COMPANY SECRETARY
C.P. No.: 26960. M. NO. A7677
UDIN : A007677H000449131
Peer Review Cert No.: 6318/2024
ICSI Unique code: P2024TN102800

PLACE : TIRUCHIRAPALLI
DATE : 22-05-2026.

KUVS & ASSOCIATES
COMPANY SECRETARIES
OFFICE: 29, PANDAMANGALAM AGRAHARAM, WORIUR, TRICHY - 620003.
PHONE: 0431-2761590. Email: bkksofffice@gmail.com

ANNEXURE - A TO SECRETARIAL COMPLIANCE REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2026 OF
M/s. SAMBANDAM SPINNING MILLS LIMITED

Sl. No.	Particulars	Compliance Status Yes/No/Not Applicable	Observations / remarks by PCS
1.	**Secretarial Standard** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable	Yes	
2.	**Adoption and timely updation of the Policies :** ● All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities ● All the policies are in conformity with SEBI Regulations and have been reviewed & updated, as per the regulations/ circulars/ guidelines issued by SEBI	Yes Yes	
3.	**Maintenance and disclosures on Website :** ● The Listed entity is maintaining a functional website ● Timely dissemination of the documents/ information under a separate section on the website ● Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s) / section of the website	Yes Yes	
4.	**Disqualification of Director :** None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity	Yes	
5.	**To examine details related to Subsidiaries of listed entities:** (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	Not applicable Not applicable	There is no Subsidiary Company and hence this column is not applicable
6.	**Preservation of Documents :** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015	Yes	

Sl. No.	Particulars	Compliance Status Yes/No/Not Applicable	Observations / remarks by PCS
7.	**Performance Evaluation :** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations	Yes	
8.	**Related Party Transactions :** (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or	Yes	
	(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Not applicable	No such instances were observed during the year under report.
9.	**Disclosure of events or information :** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	**Prohibition of Insider Trading :** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI Prohibition of Insider Trading) Regulations, 2015	Yes	
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	Yes	
12.	**Additional Non-compliances, if any:** No any additional non-compliance observed for all SEBI regulation/ circular/guidance note etc	Yes	

There is no resignation of statutory auditors during the period under review and hence reporting about Compliances related to resignation of statutory auditors does not arise.

FOR **KUVS & ASSOCIATES**
COMPANY SECRETARIES

CS (V. SANKAR) PARTNER
PRACTISING COMPANY SECRETARY
C.P. No.: 26960. M. NO. A7677
UDIN : A007677H000449131
Peer Review Cert No.: 6318/2024
ICSI Unique code: P2024TN102800

PLACE : TIRUCHIRAPALLI
DATE : 22-05-2026.

KUVS & ASSOCIATES
COMPANY SECRETARIES
OFFICE: 29, PANDAMANGALAM AGRAHARAM,
WORIUR, TRICHY - 620003.
PHONE: 0431-2761590. Email: bkksofffice@gmail.com

ANNEXURE - B TO SECRETARIAL COMPLIANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2026

OF

M/s. SAMBANDAM SPINNING MILLS LIMITED

1. Maintenance of records with reference to the SEBI Act, SCRA and Regulations thereunder is the responsibility of the management of the Company.
2. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity
3. We have obtained the Management representation about the compliance of Laws, Regulations and occurrence of events. The timely dissemination of the documents/ information under a separate section on the website is based on the declaration by the Management and availability of records on the website of the Company.
4. We have followed the verification of records as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. 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 Secretarial Compliance Report. The verifications were done on a random test basis to ensure the correctness of the facts reflected in the records.
5. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
6. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
7. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

FOR **KUVS & ASSOCIATES**
COMPANY SECRETARIES

CS (V. SANKAR) PARTNER
PRACTISING COMPANY SECRETARY
C.P. No.: 26960. M. NO. A7677
UDIN : A007677H000449131
Peer Review Cert No.: 6318/2024
ICSI Unique code: P2024TN102800

PLACE : TIRUCHIRAPALLI
DATE : 22-05-2026.

ANNEXURE - VII

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

1. A BRIEF STATEMENT ON THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Company's philosophy on corporate governance is outlined below :

- Effectiveness measured by quality of leadership resulting in the best performance
- Accountability through openness, public disclosure and transparency of activities
- Conforming to high ethical standards in financial policies, internal controls, constant attention towards high quality of its products and continuous upgrading of skills at all levels
- Responsibility and responsiveness to stakeholders including shareholders, customers, vendors, employees, lenders and government agencies
- Putting best efforts for bottom line sustainability
- Upholding the spirit of social responsibility through CSR spending
- To create a management team with entrepreneurial and professional skills

2. BOARD OF DIRECTORS

(i) Composition of the Board

As on March 31, 2026, the Company has twelve (12) Directors including a Women Director. Out of twelve Directors, five (i.e.42 percent) are Executive Directors, one (i.e.8 percent) is Non-Executive Director, and six (i.e. 50 percent) are Independent Directors. The profiles of Directors are made available in the website of the Company www.sambandam.com. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act 2013.

(ii) Changes in Board of Directors

There is no change in Board of Directors during the year 2025-26

(iii) The Board is primarily responsible for the overall management of the Company's business. The Directors on the Board are from varied fields with wide range of skills and experience. The non-executive directors including Independent Directors bring statutory and wider perspective in the Board's deliberations and decisions. The Board periodically reviews the compliance reports of all laws applicable to the Company.

(iv) Board fulfills the key functions as prescribed under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of the Directors seeking appoint/re-appointment at this Annual General Meeting have been furnished in the Notice convening the Meeting of the shareholders.

(v) None of the Directors on the Board holds directorships in more than ten public limited companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public limited companies as on March 31, 2026 have been made by the Directors. Promoter Directors are related to each other. None of the Independent Director is related to each other. The details of directors and their relationship are given below:

Name of the Director	Categories of Director	Relationship with other directors
Sri S. Devarajan	Chairman and Managing Director (Promoter)	Relative of Sri S.Jegarajan, Sri S.Dinakaran & Sri D.Sudharsan
Sri S. Jegarajan	Joint Managing Director (Promoter)	Relative of Sri S.Devarajan, Sri S.Dinakaran & Sri J.Sakthivel
Sri S. Dinakaran	Joint Managing Director (Promoter)	Relative of Sri S.Devarajan, Sri S.Jegarajan & Sri D.Niranjankumar
Sri D. Sudharsan	Non–Executive Director (Promoter Group)	Relative of Sri S.Devarajan
Sri J. Sakthivel	Director- Technical (Promoter Group)	Relative of Sri S.Jegarajan
Sri D. Niranjankumar	Director- Marketing (Promoter Group)	Relative of Sri S.Dinakaran
Smt. Annapoorani Venugopalan	Independent Director	Nil
Dr. V. Sekar	Independent Director	Nil
Sri D. Balasundaram	Independent Director	Nil
Sri S. Bhaskaran	Independent Director	Nil
Sri M.Gopalakrishnan	Independent Director	Nil
Sri T. Padmanabhan	Independent Director	Nil

(vi) Four Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days or extended permitted days by Government. The said meetings were held on, May 24, 2025, August 12, 2025, November 11, 2025 and February 14, 2026. The necessary quorum was present for all the meetings.

(vii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2026, as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given herein below. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director	Categories of Director	No. of Board meetings attended during the FY 25-26	Whether attended last AGM held on 20.09.2025	No. of directorship in other Public limited Companies		No. of Committee positions held in other Public limited Companies		Directorship in other entities (Category of Directorship)
				Chairman	Member	Chairman	Member	
Sri S. Devarajan	Executive Chairman and Managing Director (Promoter)	4	Yes	–	1	–	–	1. Sambandam Siva Textiles Private Limited (Chairman) 2. SPMM Health Care Services Private Limited (Chairman and Managing Director) 3. Sambandam Fabrics Private Limited (Director) 4. Kandagiri Spinning Mills Limited (Director) till 08.08.2025

Name of the Director	Categories of Director	No. of Board meetings attended during the FY 25-26	Whether attended last AGM held on 20.09.2025	No. of directorship in other Public limited Companies		No. of Committee positions held in other Public limited Companies		Directorship in other entities (Category of Directorship)
				Chairman	Member	Chairman	Member	
Sri S. Jegarajan	Joint Managing Director Executive (Promoter)	4	Yes	–	–	–	–	1. Sambandam Siva Textiles Private Limited (Director) 2. SPMM Health Care Services Private Limited (Director)
Sri S. Dinakaran	Joint Managing Director Executive (Promoter)	4	Yes	–	–	–	–	1. Sambandam Siva Textiles Private Limited (Managing Director) 2. SPMM Health Care Services Private Limited (Director) 3. Confederation of Indian Textile Industry (Director)
Sri D.Sudharsan	Non-Director Executive	2	Yes	–	–	–	–	1. Sambandam Siva Textiles Private Limited (Joint Managing Director) 2. SPMM Health Care Services Private Limited (Director)
Sri J.Sakthivel	Executive Director Technical	4	Yes	–	–	–	–	–
Sri D.Niranjankumar	Executive Director Marketing	4	Yes	–	–	–	–	–
Dr. V. Sekar	Independent Director	4	Yes	–	–	–	–	–
Sri D. Balasundaram	Independent Director	4	Yes	–	–	–	–	–
Mrs. Annapoorani Venugopalan	Independent Director	4	No	–	–	–	–	–
Sri S.Bhaskaran	Independent Director	4	Yes	–	–	–	–	–
Sri M.Gopalakrishnan	Independent Director	4	Yes	–	–	–	–	High Value Consultancy Service p ltd
Sri T.Padmanabhan	Independent Director	4	Yes	–	–	–	–	–

(viii) Details of equity shares of the Company held by the Directors as on March 31, 2026 are given below

Name of the Director	Categories of Director	No. of equity shares held
Sri S. Devarajan	Chairman and Managing Director Executive (Promoter)	6,26,599
Sri S. Jegarajan	Joint Managing Director Executive (Promoter)	4,88,576
Sri S. Dinakaran	Joint Managing Director Executive (Promoter)	4,19,044
Sri D.Sudharsan	Non – Executive Director (Promoter Group)	88,760
Sri J. Sakthivel	Director – Technical (Promoter Group)	14,600
Sri D. Niranjankumar	Director – Marketing (Promoter Group)	5,800
Smt. AnnapooraniVenugopalan	Independent Director	Nil
Dr. V. Sekar	Independent Director	Nil
Sri D.Balasundaram	Independent Director	Nil
Sri.S.Bhaskaran	Independent Director	Nil
Sri M.Gopalakrishnan	Independent Director	Nil
Sri T.Padmanabhan	Independent Director	Nil

(viii) Independent Directors

The Company has appointed Independent Directors who are renowned people having expertise/experience in their respective field/profession. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. None of the Independent Directors is a promoter or related to the promoters. They do not have any pecuniary relationship with the Company and further they do not hold two percent or more of the total voting power of the Company. All Independent Directors maintain their limits of directorship as required under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.The Company has issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been disclosed in the website of the Company.

All the Independent Directors of the Company at the time of their appointment to the Board and thereafter at the first meeting of the Board in every financial year give, in terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

Familiarization programe for the Independent directors was held during the year and had been uploaded in the website of the Company under the web-link: http://www.sambandam.com/results/ID-Familiarisation-Updated-BM-2024-05-25-Approved.pdf

Meeting of Independent Directors

During the year, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, one separate meeting of Independent directors was held on 14.02.2026. All the Independent Directors on the Board attended the meeting. The Independent Directors discussed / reviewed the matters specified in Schedule IV of Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(ix) Board Evaluation

Evaluation of performance of all Directors is undertaken annually. Performance of the Board, its Committees and Individual Directors were evaluated on the basis of criteria which includes various performance related aspects.

The Board of Directors has expressed their satisfaction with the evaluation process.

(x) The Board has identified the following skills/expertise/competencies fundamental for effective functioning of the Company which are currently available with the Board.

S. No.	Name of the Director	skills/expertise/competencies					
		General Administration and Management	Finance	Technical	HR	Sales and marketing	Governance Compliance and Legal
1.	Sri S.Devarajan	√	√	√	√	√	√
2.	Sri S.Jegarajan	√	√	√	√	√	√
3.	Sri S.Dinakaran	√	√	√	√	√	√
4.	Sri D.Sudharsan	√	√	√	√	√	√
5.	Sri J.Sakthivel	√	√	√	√	√	√
6.	Sri D.Niranjankumar	√	√	√	√	√	√
7.	Dr. V.Sekar	√	√	–	√	–	√
8.	Sri D.Balasundaram	√	√	√	√	–	√
9.	Smt. Annapoorani Venugopalan	√	√	–	√	–	√
10.	Sri S.Bhaskaran	√	√	–	√	–	√
11.	Sri M.Gopalakrishnan	√	√	–	√	–	√
12.	Sri T.Padmanabhan	√	√	–	√	–	√

3. COMMITTEES OF THE BOARD

(i) AUDIT COMMITTEE

(a) Brief description of terms of reference

Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost auditors, the performance of internal auditors and the Company's risk management policies. The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013.

(b) Composition

Audit Committee as on 31 March, 2026 comprises of six members viz., Dr.V.Sekar Independent Director as Chairman, Independent Directors, Sri. D. Balasundaram, Smt. Annapoorani Venugopalan, Sri S.Bhaskaran, Sri M.Gopalakrishnan and Sri T.Padmanabhan as Members.

Members of the Audit Committee are financially literate and have expertise in accounting/financial management. CMD, Joint Managing Directors, Chief Financial Officer, Internal Auditor and Statutory Auditors, attended meetings of the Committee as invitees. Mr. S. Natarajan, Company Secretary is the Secretary to the committee.

(c) Meetings and Attendance

Audit Committee met four times during the year and the time gap between any two meetings did not exceed more than 120 days or extended permitted days by Government. Audit Committee meetings were held on May 24, 2025, August 12, 2025, November 11, 2025 and February 14, 2026. Attendance at the Audit Committee meetings held during the year is as follows:

Name of the Director	Position	No. of Meetings attended
Dr. V. Sekar	As Chairman	4 of 4
Sri D. Balasundaram	Member	4 of 4
Smt. Annapoorani Venugopalan	Member	4 of 4
Sri S.Bhaskaran	Member	4 of 4
Sri M.Gopalakrishnan	Member	4 of 4
Sri T.Padmanabhan	Member	4 of 4

(ii) NOMINATION AND REMUNERATION COMMITTEE

(a) Brief description of terms of reference

The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The Committee formulates the criteria for determining qualifications, positive attributes and Independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director for every appointment of independent Director; criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifying the persons who are qualified to become directors, and who may be appointed in senior management and recommend to the Board their appointment and removal, 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, recommend to the Board all remuneration payable to Senior Management. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as section 178 of the Companies Act, 2013.

(b) Composition

Nomination and Remuneration Committee is consisting of three members (a) Sri M.Gopalakrishnan, Independent Director as Chairman, (b) Dr.V.Sekar and (.c.) Sri S.Bhaskaran Independent Directors as Members

(c) Meetings and Attendance

During the year one Nomination and Remuneration Committee Meeting was held on 14.02.2026 Attendance at the Nomination and Remuneration Committee meeting held during the year is as follows:

Name of the Director	Position	No. of Meetings attended
Sri. M.Gopalakrishnan	Chairman	1 of 1
Dr. V. Sekar	Member	1 of 1
Sri. S.Bhaskaran	Member	1 of 1

(d) Performance Evaluation criteria for Independent directors

The Company has adopted the following performance evaluation criteria for Independent Directors

a. Qualifications
b. Experience
c. Knowledge & Competency
d. Fulfillments of functions
e. Ability to function as a team
f. Initiative
g. Availability and Attendance
h. Commitment
j. Integrity
k. Independence
l. Independent views and Judgment

(iii) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

(a) Brief description of terms of reference

The Committee formulates CSR policy to undertake social activities as specified under Schedule VII of the Companies Act, 2013 for approval of the Board. The Committee recommends spending on the approved CSR activities and monitors the spending and performance of such activities.

Since there was no profit as referred under section 198 during previous three years, there is no CSR obligations for 2025-26. However to give effect to the CSR policy, Company has spent Rs 3.62 lakhs towards providing artificial limbs for differently abled people.

(b) Composition

The CSR Committee as on March 31, 2026 comprises of four members viz., Sri S.Devarajan, Chairman and Managing Director as Chairman, Sri S. Jegarajan, Joint Managing Director, Sri S.Dinakaran, Joint Managing Director and Sri D.Balasundaram, Independent Director as Members.

(c) Meetings and Attendance

During the year one CSR Meeting was held on 14.02.2026. Attendance at the CSR Committee meeting held during the year is as follows:

Name of the Director	Position	No. of Meetings attended
Sri S. Devarajan	Chairman	1 of 1
Sri S. Jegarajan	Member	1 of 1
Sri S. Dinakaran	Member	1 of 1
Sri D. Balasundaram	Member	1 of 1

(iv) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Committee was formed to specifically look into various aspect of shareholders.

(a) name of the non-executive director heading the committee ; S. Bhaskaran
(b) name and designation of the compliance officer ; S. Natarajan
(c) number of shareholders' complaints received during the financial year ; Nil
(d) number of complaints not solved to the satisfaction of shareholders ; Nil
(e) number of pending complaints. Nil

4. REMUNERATION OF DIRECTORS & AUDITORS

(a) There was no pecuniary relationship or transaction between the Non-Executive Directors and the company during the financial year 2025-2026.

(b) Criteria of making payments to Non-Executive Directors

- Remuneration by way of Sitting fee are paid to Non-Executive/ Independent Directors for attending meetings of the Board of Directors and Committee meetings in which he/she is a member (excluding those committee meetings viz., CSR Committee, Stakeholders' Relationship Committee, Share Transfer Committee and Finance Committee for which no sitting fees is paid) as may be decided by the Board from time to time and for any other purpose as may be decided by the Board from time to time in accordance with the ceiling limits prescribed under the Applicable Law.
- The Independent Directors shall not be entitled to any stock option.
- The sitting fees to each Independent Director is same and there is no parity among directors

The above referred criteria have been disclosed in the website of the Company under the web-link: http://www.sambandam.com/results/SSM-NRP-2015.pdf

(c) Disclosures with respect to remuneration.

Non-executive Directors are entitled to get Sitting Fee for attending each meeting of the Board or any Committee(s) of the Board. Details of payment of sitting fees for the year 2025-26 are as follows.

Name of the Director	Sitting fees (#) Rs. Lakhs
Sri D. Sudharsan	0.50
Dr. V. Sekar	2.85
Sri D. Balasundaram	2.85
Smt. Annapoorani Venugopalan	2.85
Sri S. Bhaskaran	2.85
Sri M. Gopalakrishnan	2.85
Sri T. Padmanabhan	2.85

Details of remuneration received by CMD, JMDs' and directors during the financial year 2025-26 as follows

S. No.	Name of the Director	Salary	Perquisites	Total remuneration (Rs. lakhs)
1.	Sri S. Devarajan	84.00	36.00	120.00
2.	Sri S. Jegarajan	81.60	34.80	116.40
3.	Sri S. Dinakaran	45.60	28.80	74.40
4.	Sri J. Sakthivel	36.00	12.00	48.00
5.	Sri D. Niranjankumar	36.00	12.00	48.00

Stock Options

The Company has no Employee Stock Options Scheme in force at present.

Details of Remuneration to Statutory Auditors

M/s P.N.Raghavandra Rao & Co, Chartered Accountants (Firm Registration No .003328S) had been appointed as the Statutory Auditors of the Company for the financial years 2022-23 to 2026-27. The Statutory Auditors had been fixed a Audit fees of Rs. 8,00,000/- (which excludes GST, travel and out of pocket expenses) for conduct of the statutory audit for the FY 2025-26. No fee or other charges was paid during the year to any entity in the network firm/network entity of which the statutory auditor is a part.

5. GENERAL BODY MEETINGS

Details of location and time of last three Annual General Meetings held. During the year there is no postal resolutions

Year	Location	Mode	Special Resolutions Passed if any	Date & Time
51st AGM-2025	Mill Premises, Kamaraj Nagar Colony, Salem - 636014.	Through Audio visual means	Nil	September 20, 2025 at 10.45 a.m.
50th AGM-2024	Mill Premises, Kamaraj Nagar Colony, Salem - 636014.	Through Audio visual means	Eight	September 21, 2024 at 10.45 a.m.
49th AGM-2023	Mill Premises, Kamaraj Nagar Colony, Salem - 636014.	Through Audio visual means	Nil	August 12, 2023 at 10.00 a.m.

(b) As required u/Reg.34(3) of SEBI (LODR), Companies Act 2013, and such other Act if any, a certificate has been received from Practicing Company Secretary V. Sankar, CoP No.26960, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of company.

6. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual financial results are communicated to the Bombay Stock Exchange at Mumbai immediately after these are considered and recommended by the Audit Committee and approved by the Board; and thereafter regularly published in national (English) business newspaper Trinity Mirror and in one vernacular (Tamil) newspaper Makkal Kural as required. Quarterly and annual financial statements and other required details in accordance with the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are posted on the Company's website: www.sambandam.com. Further, all other price sensitive and other information is sent to the Bombay Stock Exchange enabling them to display the same on their website. During the year, no presentation has been made to Institutional Investors or analysts.

7. Details of Senior Managerial Personnel and changes during the FY 2025-26 Schedule V 5 (5B)

S. No.	Name of the Director and Managerial Personnel	Categories of Director	Occupation
1.	Sri S. Devarajan	Chairman and Managing Director	Industrialist
2.	Sri S. Jegarajan	Joint Managing Director	Industrialist
3.	Sri S. Dinakaran	Joint Managing Director	Industrialist
4.	Sri D. Sudharsan	Non–Executive Director (Promoter Group)	Industrialist
5.	Sri J. Sakthivel	Director- Technical (Promoter Group)	Industrialist
6.	Sri D. Niranjankumar	Director- Marketing (Promoter Group)	Industrialist
7.	Smt. Annapoorani Venugopalan	Independent Director	Management Consultant
8.	Dr. V. Sekar	Independent Director	Management Consultant
9.	Sri D. Balasundaram	Independent Director	Management Consultant
10.	Sri S. Bhaskaran	Independent Director	Management Consultant
11.	Sri M.Gopalakrishnan	Independent Director(From 11.08.2024)	Practicing Cost Accountant
12.	Sri T. Padmanabhan	Independent Director(From 11.08.2024)	Practicing Chartered Accountant
13.	Sri P.Boopalan	Key Managerial Personnel	Chief Financial Officer
14.	Sri S.Natarajan	Key Managerial Personnel	Company Secretary

8. GENERAL SHARE HOLDER INFORMATION

(a) Details of 52 nd Annual General Meeting to be

Day : Friday
Date : 18.09.2026
Time : 10.45 AM

Venue : Annual General Meeting (AGM) to be conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), pursuant to MCA circular dated 05.05.2020 read with circulars dated April 8, 2020 and April 13, 2020 and January 13, 2021, May 05,2022 and September 25, 2023 and 09/2024 dated 19.09.2024 and as amended further from time to time, without physical presence of Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company – Sambandam Spinning Mills Limited, Kamaraj Nagar Colony, Salem – 636014.

(b) Financial Year : 1st April, 2025 to 31st March, 2026.

(c) Dividend Payment Date : NA

(d) Stock Exchange on which Company's shares are listed :

The Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. The Listing Fees as applicable was paid within prescribed time period.

(e) Stock code

Trading Symbol at BSE Limited	(DEMAT)	521240
ISIN under Depository System (NSDL & CDSL)	Equity Shares	INE304D01012

(f) Market Price data – Company share Price and BSE Sensex

Month	Company Share Price		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April - 2025	154.70	115.35	80661.31	71425.01
May - 2025	167.80	130.00	82718.14	78968.34
June - 2025	154.25	131.30	84099.53	80354.59
July - 2025	148.00	125.00	83935.01	80575.45
August - 2025	142.25	115.00	82231.17	79741.76
September - 2025	134.00	112.00	83141.21	79818.38
October - 2025	122.90	103.70	85290.06	80159.9
November - 2025	122.80	102.20	86055.86	82670.95
December - 2025	112.60	97.10	86159.02	84150.19
January - 2026	116.90	95.00	85883.5	81088.59
February - 2026	121.20	94.00	85871.73	79899.42
March - 2026	104.79	87.00	80632.55	71774.13

(g) Company securities are not suspended from trading.

(h) Registrar and Share Transfer Agents (RTA)

M/s Cameo Corporate Services Limited, Subramanian Building, No.1 Club house Road, Chennai 600002 deal with all aspects of investor servicing relating to shares in both physical and demat form.

(i) Share Transfer System

The Share transfer committee mainly looks into transfer and transmission of shares. Share transfers are effected by the Registrar and Transfer Agent (RTA) Cameo Corporate Services Limited, Chennai, on the authorization given by the Board. The transfers/transmissions effected by the Registrar are submitted to the Share Transfer Committee for confirmation. The Share Transfer Committee comprises of Sri S. Devarajan, Chairman and Managing Director, chairs the meetings of the committee, Sri S. Jegarajan, Joint Managing Director, and Sri S.Dinakaran Joint Managing Director are the members of the committee. Sri S.Natarajan, Company Secretary is the secretary to the committee and the compliance officer. As on March 31, 2026 no share transfer / transmission was pending. There is no agreement by the company with any shareholders.

SPECIAL WINDOW FOR RE-LODGEMENT OF TRANSFER REQUESTS OF PHYSICAL SHARES

Pursuant to SEBI Circular No. SEBI/HO/38/13/11(2)2026-MIRSDPOD/I/3750/2026 dated Jan 30, 2026, shareholders are informed that a special window is opened only for re-lodgement of transfer deed, lodged prior to 1st April 2019, and which were rejected/returned/not attended to, due to deficiency in the documents/process/or otherwise.

This facility of re-lodgement will be available from 5th February 2026 to 4 th February 2027 as per above said SEBI circular. The shares re-lodged for transfer will be processed only in dematerialized form during the window period. Eligible investors may submit their transfer request along with the requisite documents to the Company's (RTA) Registrar & Share Transfer Agents : M/s Cameo Corporate Services Limited Subramanian Building, No.1 Club Road, Chennai 600 002. Tamil Nadu, Phone: 044 - 40020700; e-mail : https://wisdom.cameoindia.com, website : www.cameoindia.com with in stipulated period.

Note : All shareholders are requested to update their e-mail id's with company / RTA/ Depository Participants.

Distribution of Shareholding as on 31st March, 2026

No. of Shares	Shareholders		No. of shares	
	Number	%	Number	%
Upto – 100	2,105	76.04	1,16,964	2.74
101 – 500	468	15.62	1,20,792	2.83
501 – 1000	93	3.10	71,968	1.69
1001 – 2000	51	1.70	77,736	1.82
2001 – 3000	16	0.54	40,253	0.94
3001 – 4000	13	0.43	45,754	1.07
4001 – 5000	3	0.10	13,793	0.33
5001 – 10000	20	0.67	1,51,222	3.55
10001 and above	54	1.80	36,26,118	85.03
Total	**2,823**	**100.00**	**42,64,600**	**100.00**

Shareholding pattern as on March 31, 2026

Sl. No.	Category	No. of Holders	No. of Shares	% to Paid up Capital
1.	Promoters	23	21,42,458	50.24
2.	Residents (Individuals / Clearing Members HUF)	2,754	20,46,657	47.99
3.	Financial Institutions / Insurance Co./ State Govt./	0	0	0
	Foreign Institutional Investors	0	0	0
4.	Non-Resident Indians / OCB / Corporate Bodies - Foreign / Bank - Foreign / Foreign Nationals / Foreign Port Folio Investor / corporate	25	6,676	0.16
5.	Corporate Bodies / Limited Liability Partnership	20	16,985	0.40
6.	IEPF	1	51,824	1.21
7.	Mutual Funds	0	0	0
8.	Trusts	0	0	0
9.	Banks	0	0	0
10.	Clearing Members	0	0	0
	Total	**2,823**	**42,64,600**	**100.00**

(k) Dematerialization of shares and liquidity

Shares of the Company can be held and traded in electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery only in dematerialization form. Status of dematerialization of shares as on March 31, 2026 is as follows:

Holders	Physical		Demat		Total	
	No. of Shares	% to paid up capital	No. of Shares	% to paid up capital	No. of Shares	% to paid up capital
Promoters List	0	0	21,42,458	50.24%	21,42,458	50.24%
Others	50,569	1.18%	20,71,573	48.58%	21,22,142	49.76%
TOTAL	**50,569**	**1.18%**	**42,14,031**	**98.82%**	**42,64,600**	**100.00%**

The equity shares of the Company is regularly traded in BSE Limited

Your Company confirms that the entire Promoter's holdings are in electronic form and the same is in line with the direction issued by SEBI.

(l) Outstanding GDRs/ ADRs/ Warrants/ Convertible instruments

The Company has not issued Global Depository Receipts or American Depository Receipt or Warrants or any Convertible instruments.

(m) Commodity Price Risk/ Foreign Exchange Risk and Hedging - The Company do not engage in hedging activities regularly, however hedging is done on a case to case basis depending on forex market volatality.

(n) Plant Location

Spinning Mills (Roof top solar plant installed in
Unit – I, II, and III) Unit – I Kamaraj Nagar Colony, Salem 636 014.Tamil Nadu.
Unit – II Ayeepalayam, Athanur 636 301, Namakkal District.Tamil Nadu.
Unit – III Kavarakalpatty, Seshanchavadi P.O., Salem 636 111, Tamil Nadu.

Wind energy converters

Panangudi, Pazhavoor and Parameshwarapuram villages.
Radhapuram Taluk, Tirunelveli District. Tamil Nadu
Uthumalai Village, Veerakeralam Pudur Taluk, Tirunelveli District. Tamil Nadu

Ground mounted Solar energy Plant

Venbavur Village, Veppanthattai Taluk, Perambalur District, Tamil Nadu

(o) Address for Correspondence

Registrar & Share Transfer Agents	:	M/s Cameo Corporate Services Limited Subramanian Building No.1 Club Road, Chennai 600 002. Tamil Nadu, India Phone : 044 – 4002 0700
e-mail – For all Investor queries/Portal	:	https://wisdom.cameoindia.com
website	:	www.cameoindia.com
For any other general matters or in case of any difficulties /		Secretarial Department Sambandam Spinning Mills Limited No.1, Kamaraj Nagar Colony, Salem 636 014 Tamil Nadu, India Phone : 0427 -2240790 e-mail: cs@sambandam.com
Website Address		www.sambandam.com
Email ID of Investor Grievance		cs@sambandam.com
Name of the Compliance Officer		Sri S.Natarajan, Company Secretary

OTHER DISCLOSURES

(a) There were no material significant transactions with the Directors or their relatives or the management that had any potential conflict with the interest of the company. All details relating to the financial and commercial transactions where the Directors had a potential interest were provided to the board, and the interested Directors neither participated in the discussion, nor did they vote on such matters.

(b) The company has formulated a Policy for dealing with Related Party Transactions. The necessary disclosures regarding the transactions with related parties are given in the Notes to the financial statements during the year under review. The Policy on Related Party Transactions was reviewed by the board during the year and is hosted on the website of the Company under the web link : http://www.sambandam.com/results/RPT-Policy.pdf

(c) Neither was any penalties imposed (except on one occasion in may month in FY 2023-24 for one day delay in filing half yearly report filing on Related Party Transactions RPT) nor were any strictures passed by Stock Exchange or SEBI or any Statutory authority on any capital market related matters during last year.

(d) The Company has established a Vigil Mechanism/Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Director(s)/employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman. Company hereby affirms that no Director / employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The Whistle Blower Policy has been disclosed on the Company's website.

(e) The Company has complied with the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted various non-mandatory requirements as well as discussed under relevant headings.

(f) The Company has no subsidiary.

(g) The Company has followed Indian Accounting Standards (“Ind AS”) in the preparation of the financial statements. The significant accounting policies are set out in the notes to the accounts.

(h) The Company has laid down procedures to inform Board members about risk assessment and minimization and has implemented the Risk Management plan and continuously monitors it. Further the Company has a number of control processes in place to help ensure that the information presented to the senior management and the Board is both accurate and timely. The Audit Committee reviews and analyses the effectiveness of the risk management framework, the internal compliance and control systems and reports the same to the Board at such intervals as determined by the Board.

(i) During the year the Company has not received / pending any complaint under the provisions of sexual harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013.

(j) During the year, there was no loan/advances given to firms/ Companies in which directors are interested.

(k) As required by the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading. Company Secretary of the Company is the Compliance Officer. The Code of Conduct is applicable to all Directors and such identified employees of the Company as well as who are expected to have access to unpublished price sensitive information relating to the Company.

(l) The Company has adopted a Code of Conduct for Directors and Senior Management of the Company, as required by Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has received confirmation from the Directors and Senior Management regarding compliance with the code for the year ended March 31, 2026. A Certificate from Managing Director to this effect is attached to this Annual Report. The code has been displayed on the Company's website. http://www.sambandam.com/results/SSM-COC-Ver-2.0-2024.pdf

(m) The details of credit rating for Bank facilities and Fixed deposits obtained from Infomerics Valuation and Ratings Private Limited during the FY 2025-26, dt 04.02.2026, (Available in Company Website). Rating is affirmed as given below:

S. No.	FACILITIES	RATINGS
1.	Long -Term Bank Facilities	IVR BB / Stable
2.	Short -Term Bank Facilities	IVR A4
3.	Fixed Deposits	IVR BB / Stable

(n) The Managing Director and Chief Financial Officer of the Company give annual Compliance Certificate in accordance with Regulation17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange(s). The annual Compliance Certificate given by Managing Director and Chief Financial Officer is published in Annual Report.

(o) Transfer of Unclaimed/Unpaid dividends along with underlying shares to IEPF

Pursuant to Section 124 & 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 which came into effect from 07.09.2016 with subsequent amendments thereto, in addition to transfer of unpaid/unclaimed dividend of seven years to IEPF a/c, the underlying shares with respect to unpaid/unclaimed dividend of seven consecutive years has to be transferred by the company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Shareholders can claim the respective dividends and shares from IEPF by filing the requisite forms and following the procedures as stated in the IEPF rules.

(p) Details relating to re-appointment of Director by rotation and appointment of Directors as required under the provisions of MCA/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Notice to the Annual General Meeting.

(q) There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

(r) There was no instance of onetime settlement with any Bank or Financial Institution.

(s) There is no agreement entered under clause 5(A) of para A of part A of schedule III of SEBI (LODR)

8. There has been no instance of non-compliance of any requirement of Corporate Governance Report.

9. ADOPTION OF NON - MANDATORY ITEMS

(a) The Board
The Company has an Executive Chairman and the respective compliance has been duly complied.

(b) Share holder Rights
Quarterly/Half yearly financial results are forwarded to the Stock Exchanges and also uploaded on the website of the Company.

(c) Modified Opinion in Audit Report
There was no modified opinion in Independent Auditors' Report for the FY 2025-26.

(d) Separate posts of Chairman and CEO
The company has one “Chairman and Managing Director” and two Joint Managing Directors.

(e) Reporting of Internal Auditor

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting his findings of the internal audit to the Audit Committee Members.

10. The Company has fully complied with the applicable requirement specified in Reg. 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

11. There are no shares lying in the demat suspense account/unclaimed suspense account as on 31.3.2026

Certificate on Compliance with Code of Conduct for the Senior Management

In accordance with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Board members and senior management personnel of the Company have affirmed compliance to the Code of Conduct of the Company for the financial year ended March 31, 2026.

Salem
August 13, 2026

S.Devarajan
Chairman and Managing Director
DIN : 00001910

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of Sambandam Spinning Mills Limited

Certificate on Corporate Governance

1. We have examined the compliance of conditions of Corporate Governance by Sambandam Spinning Mills Limited (CIN : L17111TZ1973PLC000675) ('the Company') for the year ended 31st March 2026 as stipulated in Regulations 17 to 27, clause (b) to (i) and (t) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our responsibility is to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March 2026.
4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('the ICAI') and as per the Guidance Note on Reports or Certificates for special purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations given to us and the representations provided by the Management, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31st March 2026.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P N RAGHAVENDRA RAO & CO.,
Chartered Accountants
Firm Registration Number : 003328S

Pon Arul Paraneedharn
Partner
Membership Number : 212860
UDIN : 26212860RMUPVD4205

Coimbatore
13.08.2026

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Sambandam Spinning Mills Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. 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 Standalone 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 Standalone 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 issued by the Institute of Chartered Accountants of India. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

   We have determined the matter described below to be the key audit matter to be communicated in our report.

<table>
<tr><th>Key Audit Matters</th><th>Auditor's Response</th></tr>
<tr><td>

Revenue Recognition

(Refer to the accompanying Note 2(c) of Material Accounting Policies and Note 28 of accompanying Notes to the Standalone financial statements)

The Company's revenue is mainly derived from sale of products viz. yarn and yarn related products.

Revenue from sale of products is recognized when the performance obligations are satisfied and the control of the products is being transferred to debtors as per the terms of contract agreed.

Revenue is recognized when collectability of the resulting receivable is reasonably assured.

we have identified Revenue recognition as a key audit matter as revenue recognition is a key performance indicator of the Company given the inherent area of audit risk

</td><td>

Principal Audit Procedures

In the view of the significance of the matter, our audit procedures mainly comprised of test of controls and substantive procedures including the following:

a. We assessed the appropriateness of whether the accounting policy for revenue recognition was in line with relevant Ind AS – 115 “Revenue from Contracts with Customers”.

b. We performed procedures to assess the design and implementation of internal controls established by the management and tested the operating effectiveness of relevant controls relating to revenue recognition.

c. We have performed testing with the sample of revenue transaction to ensure whether specific revenue transactions before and after the reporting date have been recognized in the appropriate period by comparing the transactions selected with relevant underlying documents including goods delivery notes, shipping documents, customer acknowledgement/proof of acceptance and the other terms of sales.

d. We have also tested the journal entries affecting revenue recognition on a sample basis to identify any unusual or irregular items and validated subsequent credit notes and sales returns up to the date of this report to ensure the appropriateness and accuracy of the recognition of revenue.

e. Based on the above procedures, no material exception on the revenue recognition has been observed.

</td></tr>
</table>

Information other than the Standalone Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Management discussion and analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Standalone financial statements and our auditor's report thereon.

6. The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement, if any, of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Standalone Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the Standalone financial statements, the Board of Directors is 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone financial statements.

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

    (a) Identify and assess the risks of material misstatement of the Standalone 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.

    (b) Obtain an understanding of internal controls 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 system in place and the operating effectiveness of such controls.

    (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    (d) Conclude on the appropriateness of management'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 Standalone 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.

    (e) Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. 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.

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the **"Annexure - A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended.

(e) On the basis of the written representations received from the directors as on 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure - B".**

(g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and 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.

(h) 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, 2014, 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 on its financial position in its Standalone financial statements–Note 43 to the Standalone financial statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2026.

(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, no funds 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 whether 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, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall whether 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; and

c) Based on such 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 subclause (i) and (ii) of Rule 11 contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year.

(vi) Based on our examination which included test checks, the company has used accounting software for maintaining its books of accounts which has 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 and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **P N Raghavendra Rao & Co**
Chartered Accountants
Firm Registration Number : 003328S

Pon Arul Paraneedharan
Partner
Membership Number : 212860
UDIN : 26212860MCRUCB1720

Salem
23rd May 2026

ANNEXURE - “A” TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of **Sambandam Spinning Mills Limited** on the Standalone financial statements for the year ended 31st March 2026

i. In respect of Company's Plant, Property and Equipment

a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant, and equipment.

B) The Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a programme of verification to cover all the items of Property, Plant and Equipment and right of use assets in regular intervals during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment.

c) In our opinion and according to the information and explanations given to us and on the basis of examination of the records of the company, the title deeds of immovable properties are held in the name of the company. In respect of immovable properties taken on lease and disclosed as right-of-use assets in the financial statements, the lease agreements are executed in the name of the company.

d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.

e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to books of account of the Company.

b) The Company has been sanctioned working capital limits in excess of Rupees Five Crores in aggregate during the year by banks on the basis of security of current assets. The Quarterly statements filed by the company with the banks are in agreement with the books of accounts of the company.

iii. The Company has not made investments in, provided any guarantee or security or granted any loan or advance in the nature of loans secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. However, the Company has made investments in earlier years in companies.

a. The Company has not provided loans or provided advance in the nature of loans or stood guarantee or provided security to any other entity during the year. Accordingly, the reporting under para 3(iii)(a), (iii)(c) to (iii)(f)of the Order is not applicable.

b. In our opinion, the investments made in earlier years are not prejudicial to the company's interest.

iv. In our opinion and according to the information and the explanations given to us, the Company has not granted any loans or provided any guarantees or securities to the parties covered under the Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided as applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from public or amounts which are deemed to be deposits from public. However, the Company has accepted deposits from members during the year and the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder.

vi. As per the information and explanations given by the management, maintenance of cost records has been specified by the Central Government and we are of the opinion that the prescribed accounts and records are being made and maintained under Section 148(1) of the Act, by the Company.

vii. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts of the Company, the undisputed statutory dues including Provident Fund, Employee's State Insurance, Income tax, Goods and Service Tax, duty of customs, and any other material statutory dues, as applicable, have been regularly deposited during the year by the Company to the appropriate authorities. There were no undisputed dues outstanding as at 31st March 2026 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, the details of statutory dues referred to in sub-clause (a) which have not been deposited as on 31st March 2026 on account of disputes are given below:

Sl. No.	Name of the Statute	Nature of Dues	Amount Disputed (Rupees in Lakhs)	Period to which demand relates	Forum where dispute is pending
1	Corporation Property Tax Act	Infrastructure and Development Charges	31.79	2012 - 2013	Town and Country Planning Director, Salem
2	Tamilnadu VAT	ITC input	7.39	2015 - 2016	Sales Tax Appellate Tribunal, Coimbatore

viii. According to the information and explanations given to us and on the basis of our examination of the books of account, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. a) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any lenders during the year. The Company has not issued any debentures.

b) According to the information and explanations given to us, the Company has not been declared as willful defaulter by any bank or financial institution or other lender.

c) According to the information and explanations given to us, the term loans availed during the year have been applied for the purposes for which the loans were obtained.

d) According to the information and explanations given to us and based on an overall examination of financial statements of the Company, the funds raised on short term basis by the company during the year have not been utilized for long term purposes.

e) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligation of associate company. The company does not have any subsidiary or joint venture companies.

f) According to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in associate company. The company does not have any subsidiary or joint venture companies.

x. a) The Company has not raised any money by way of Initial Public Offer or further public offer (including Debt instruments) during the year.

b) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year under review.

Accordingly, the reporting under paragraph 3(x) of the Order is not applicable.

xi. a) According to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

b) According to the information and explanations given to us, no report under Section 143 (12) 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 up to the date of this report.

c) According to the information and explanations given to us, the Company has not received any whistle blower complaints during the year.

Accordingly, the reporting under paragraph 3(xi) of the Order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

xiv. a) According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.

b) The Reports of the Internal Auditors issued till the date of the audit report for the period under audit were considered by us.

xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with them and hence provisions of Section 192 of the Act are not applicable to the Company.

xvi. a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) (a), (b) and (c) are not applicable to the Company.

b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, the paragraph 3(xvi) (d) of the Order is not applicable.

xvii. According to the information and explanations given to us and on based on our examination of the records of the Company, the Company has not incurred cash losses during the current financial year and the immediately preceding financial year. Accordingly, reporting under paragraph 3(xvii) of the order is not applicable.

xviii. There has not been any resignation of the Statutory Auditors during the year. Accordingly, the reporting under Paragraph 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that the company is 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. a. According to the information and explanations given to us and based on our examination of the records, the Company is not liable to comply with the provisions of section 135 of the act relating to Corporate Social Responsibility. Accordingly, the reporting under paragraph 3(xx)(a) of the Order is not applicable.

b. According to the information and explanations given to us and based on our examination of the records, the Company does not have any ongoing projects under section 135(5) of the act. Accordingly, the provision of paragraph 3(xx)(b) of the order is not applicable.

xxi. According to the information and explanation given to us, there is no qualification or adverse remark by the auditor of the associate company. The Company does not have any subsidiary or joint venture companies.

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For **P N Raghavendra Rao & Co**
Chartered Accountants
Firm Registration Number: 003328S

Pon Arul Paraneedharan
Partner
Membership Number: 212860
UDIN : 26212860MCRUCB1720

Salem
23rd May 2026

ANNEXURE - "B" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 17(f) of the Independent Auditor's Report of even date to the members of Sambandam Spinning Mills Limited on the Standalone financial statements for the year ended 31st March 2026

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

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

Management's Responsibility for Internal Financial Controls

2. 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Act.

Auditor's Responsibility

3. 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, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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.

4. 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.

5. 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

6. 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:

   a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   b) 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 authorization of management and directors of the company; and

   c) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

7. 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.

Opinion

8. 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 31st March 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 ICAI.

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For **P N Raghavendra Rao & Co**
Chartered Accountants
Firm Registration Number: 003328S

Pon Arul Paraneedharan
Partner
Membership Number : 212860
UDIN : 26212860MCRUCB1720

Salem
23rd May 2026

Standalone Balance Sheet as at 31.03.2026

(Rupees in Lakhs)

Particulars	Note No.	As at 31.03.2026	As at 31.03.2025
I. ASSETS			
1. Non-Current Assets			
a) Property, Plant and Equipment	1	**11,477.21**	11,964.53
b) Capital Work in Progress	1	**288.24**	161.12
c) Right-of-use Assets	2	**20.16**	26.52
d) Intangible Assets	3	**0.04**	0.04
e) Intangible Assets Under Development	1	**71.91**	–
f) Biological Assets other than Bearer plants	4	**198.21**	144.85
g) Financial Assets			
i) Investments	5	**202.27**	201.57
ii) Other Financial Assets	6	**415.13**	322.26
h) Other Non-Current Assets	7	**53.05**	123.10
Total Non-Current Assets		**12,726.22**	12,943.99
2. Current Assets			
a) Inventories	8	**8,472.73**	7,662.23
b) Financial Assets			
i) Trade Receivables	9	**1,815.25**	2,160.95
ii) Cash and Cash Equivalents	10A	**18.06**	4.65
iii) Bank Balances other than Cash and Cash Equivalents	10B	**205.96**	196.01
iv) Other Financial Assets	11	**262.63**	180.13
c) Current Tax Assets (Net)	12	**29.02**	25.42
d) Other Current Assets	13	**2,167.69**	1,817.71
e) Assets Classified as Held for Sale	14	**310.09**	310.09
Total Current Assets		**13,281.43**	12,357.19
TOTAL ASSETS		**26,007.65**	25,301.18
II. EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	15	**427.55**	427.55
b) Other Equity	16	**7,587.30**	8,151.52
Total Equity		**8,014.85**	8,579.07
LIABILITIES			
1. Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	17	**6,498.14**	4,583.56
ii) Lease Liabilities	18	**10.87**	20.10
iii) Other Financial Liabilites	19	**5.23**	5.23
b) Provisions	20	**339.99**	133.04
c) Deferred Tax Liabilities (Net)	21	**53.63**	222.54
Total Non-Current Liabilities		**6,907.86**	4,964.47

Standalone Balance Sheet as at 31.03.2026 **(Rupees in Lakhs)**

Particulars	Note No.	As at 31.03.2026	As at 31.03.2025
2. Current Liabilities			
a) Financial Liabilities			
i) Borrowings	22	**7,377.58**	7,316.84
ii) Lease Liabilities	23	**11.96**	9.37
iii) Trade payables			
- Outstanding dues of Micro and Small Enterprises	24	**736.33**	226.12
- Outstanding dues of other than Micro and Small Enterprises	24	**1,672.84**	2,172.19
iv) Other Financial Liabilities	25	**965.60**	1,555.43
b) Other Current Liabilities	26	**136.16**	169.40
c) Provisions	27	**184.47**	308.29
Total Current Liabilities		**11,084.94**	11,757.64
TOTAL EQUITY AND LIABILITIES		**26,007.65**	25,301.18

Material Accounting Policies and Notes to accounts form an integral part of the Standalone Financial Statements

As per our report of even date attached
For P.N. Raghavendra Rao & Co
Chartered Accountants
Firm Registration No. : 003328S

Pon Arul Paraneedharan
Partner
Membership No. : 212860

Salem
May 23, 2026

For and on behalf of the board

S. Devarajan
Chairman and Managing Director
DIN : 00001910

S. Dinakaran
Joint Managing Director
DIN : 00001932

S. Natarajan
Company Secretary

P. Boopalan
Chief Financial Officer

Standalone Statement of Profit and Loss for the Year ended 31.03.2026

(Rupees in Lakhs)

	Particulars	Note No.	Year Ended 31.03.2026	Year Ended 31.03.2025
	INCOME			
I	Revenue from Operations	28	**26,366.45**	26,848.10
II	Other Income	29	**134.53**	106.62
III	**Total Income (I+II)**		**26,500.98**	26,954.72
IV	**EXPENSES**			
	Cost of Materials Consumed	30	**17,080.42**	18,242.94
	Changes in Inventories of Finished Goods and Work-in-Progress	31	**676.57**	(101.60)
	Employee Benefits Expense	32	**3,387.59**	3,513.93
	Finance Costs	33	**1,146.87**	1,145.94
	Depreciation and Amortisation Expense	34,1,2,3	**887.22**	945.18
	Other Expenses	35	**4,068.93**	4,265.45
	Total Expenses		**27,247.60**	28,011.84
V	**Profit/(Loss) before Exceptional Item and Tax (III-IV)**		**(746.62)**	(1,057.12)
VI	Exceptional Items		**–**	40.07
VII	**Profit/(Loss) Before Tax (V+VI)**		**(746.62)**	(1,017.05)
VIII	**Tax Expense:**			
	Current Tax Expenses		**–**	–
	Deferred Tax Expenses / (Income)		**(172.42)**	(273.74)
IX	**Profit/(Loss) for the Period from continuing operations (VII-VIII)**		**(574.20)**	(743.31)
X	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of Defined benefits plan		**13.49**	260.91
	Income tax relating to above		**3.51**	67.84
	Other Comprehensive Income for the Period		**9.98**	193.07
XI	**Total Comprehensive Income for the Period (IX+X)**		**(564.22)**	(550.24)
XII	**Earnings per Equity Share of Rs.10/- each:**			
	For Continuing Operations:			
	Basic and Diluted (in Rupees)		**(13.46)**	(17.43)

Material Accounting Policies and Notes to accounts form an integral part of the Standalone Financial Statements

As per our report of even date attached
For P.N. Raghavendra Rao & Co
Chartered Accountants
Firm Registration No. : 003328S

Pon Arul Paraneedharan
Partner
Membership No : 212860

Salem
May 23, 2026

For and on behalf of the board

S. Devarajan
Chairman and Managing Director
DIN : 00001910

S. Dinakaran
Joint Managing Director
DIN : 00001932

S. Natarajan
Company Secretary

P. Boopalan
Chief Financial Officer

Standalone Statement of Cash Flows for the Year ended 31.03.2026

(Rupees in Lakhs)

Particulars	Year ended 31.03.2026		Year ended 31.03.2025	
A. Cash Flow from Operating Activities				
Profit / (Loss) before tax		**(746.62)**		(1,017.05)
Adjustments for -				
Depreciation & Amortisation Expense	**887.22**		945.18	
Finance Costs	**1,141.60**		1,142.16	
Provision for ECL and impairment	**100.00**		97.11	
Sundry Balances written off	**3.54**		–	
Interest Income	**(35.56)**		(32.84)	
Foreign Exchange Fluctuation	**(24.69)**		(4.61)	
Dividend Income	**(0.07)**		(0.08)	
Profit on sale of Investment in associate	**–**		(40.07)	
Net Gain or Loss arising on Fair Value of Financial Asset	**(0.70)**		0.73	
Fair Value change in Biological Assets	**(53.36)**		(21.25)	
(Profit)/Loss on sale of Property, Plant and Equipment	**14.46**		17.79	
		2,032.44		2,104.12
Operating Profit / (Loss) before Working Capital Changes		**1,285.82**		1,087.07
Adjustments/Changes in Working Capital				
Inventories	**(810.50)**		(142.67)	
Trade Receivables	**366.85**		773.64	
Non Current and Current Financial Assets	**(285.32)**		(97.74)	
Other Non Current and Current Assets	**(279.93)**		68.71	
Trade Payables	**1,556.66**		308.26	
Non Current and Current Financial Liabilities	**(597.78)**		(303.39)	
Other Non Current and Current Liabilities	**(33.24)**		(114.37)	
Other Non Current and Current provisions	**96.62**		98.07	
		13.36		590.51
Cash Generated from/(used in) Operations		**1,299.18**		1,677.58
Less: Income Tax Paid / (Refund) Net		**3.60**		(1.77)
Net Cash from/(used in) Operating Activities		**1,295.58**		1,679.35
B. Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment & Capital Work-in-Progress	**(542.90)**		(267.35)	
Movement of Intangible Asset Under Development	**(71.91)**		–	
Movement of Biological Assets other than Bearer plants	**–**		12.25	
Proceeds from sale of Property, Plant and Equipment	**12.40**		69.16	
Proceeds from Sale of Investment in associate	**–**		110.47	
Interest Received	**35.56**		32.84	
Dividend Received	**0.07**		0.08	
Net Cash from / (used in) Investing Activities		**(566.78)**		(42.55)

Standalone Statement of Cash Flows for the Year ended 31.03.2026 **(Rupees in Lakhs)**

Particulars	Year ended 31.03.2026		Year ended 31.03.2025	
C. Cash Flow from Financing Activities				
Interest paid on Lease Liabilities	**(2.72)**		(3.35)	
Principal Repayment of Lease Liabilities	**(11.26)**		(7.63)	
Finance Costs Paid	**(1,130.93)**		(1,131.51)	
Proceeds/(Repayment) from Current Borrowings (Net)	**60.74**		(760.93)	
Proceeds/(Repayment) from Non Current Borrowings (Net)	**368.78**		262.65	
Net Cash from/(used in) Financing Activities		**(715.39)**		(1,640.77)
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)		**13.41**		(3.97)
Cash and Cash Equivalents at the beginning of the period	**4.65**		8.62	
Cash and Cash Equivalents at the end of the period	**18.06**		4.65	
Net Increase/(decrease) in Cash and Cash Equivalents		**13.41**		(3.97)

As per our report of even date attached
For P.N. Raghavendra Rao & Co
Chartered Accountants
Firm Registration No. : 003328S

Pon Arul Paraneedharan
Partner
Membership No : 212860

Salem
May 23, 2026

For and on behalf of the board

S. Devarajan
Chairman and Managing Director
DIN : 00001910

S. Dinakaran
Joint Managing Director
DIN : 00001932

S. Natarajan
Company Secretary

P. Boopalan
Chief Financial Officer

Standalone Statement of Changes in Equity for the Year ended 31.03.2026 **(Rupees in Lakhs)**

A. Equity Share Capital

Year Ended	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
31.03.2026	**427.55**	**–**	**427.55**
31.03.2025	427.55	–	427.55

B. Other Equity **(Rupees in Lakhs)**

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	Securities Premium	General Reserve	Retained Earnings		
Balance at the beginning of 01.04.2024	539.09	4,464.67	3,935.22	(237.22)	8,701.76
Profit/(Loss) for the year	–	–	(743.31)	–	(743.31)
Other Comprehensive income	–	–	–	193.07	193.07
Total Comprehensive income for the year	–	–	**(743.31)**	**193.07**	**(550.24)**
Balance as of 31.03.2025	**539.09**	**4,464.67**	**3,191.91**	**(44.15)**	**8,151.52**
Balance at the beginning of 01.04.2025	539.09	4,464.67	3,191.91	(44.15)	8,151.52
Profit/(Loss) for the period	–	–	(574.20)	–	(574.20)
Other Comprehensive income	–	–	–	9.98	9.98
Total Comprehensive income for the year	–	–	**(574.20)**	**9.98**	**(564.22)**
Balance as of 31.03.2026	**539.09**	**4,464.67**	**2,617.71**	**(34.17)**	**7,587.30**

Notes :

(a) Dividends declared/paid during the year and amounts transferred to Retained Earnings Rs.Nil (2024-25 Rs.Nil).

(b) Share application money pending allotment, Equity component of Compound financial instruments, Capital Reserves Debt/Equity instruments through OCI, effective portion of cash flow hedges, etc Rs.Nil (2024-25 Rs.Nil)

As per our report of even date attached
For P.N. Raghavendra Rao & Co
Chartered Accountants
Firm Registration No. : 003328S

Pon Arul Paraneedharan
Partner
Membership No : 212860

Salem
May 23, 2026

For and on behalf of the board

S. Devarajan
Chairman and Managing Director
DIN : 00001910

S. Dinakaran
Joint Managing Director
DIN : 00001932

S. Natarajan
Company Secretary

P. Boopalan
Chief Financial Officer

Notes to the Standalone Financial Statements
NON-CURRENT ASSETS
Note 1 : Property, Plant and Equipment

(Rupees in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Solar Equipment	Wind Energy Converters	Furniture and Fixtures	Vehicles	Office and Other Equipments	Total	Capital Work in Progress	Intangible assets under Development
Gross Carrying amount											
Balance as at 01.04.2024	**2,244.12**	**3,880.38**	**8,271.26**	**4,088.92**	**1,742.32**	**8.40**	**420.23**	**99.58**	**20,755.21**	**198.82**	**–**
Additions	–	16.64	257.71	14.70	–	3.69	1.53	10.78	305.05	216.84	–
Deletions/Adjustments	–	–	14.82	–	–	–	–	–	14.82	254.54	–
Balance as at 31.03.2025	**2,244.12**	**3,897.02**	**8,514.15**	**4,103.62**	**1,742.32**	**12.09**	**421.76**	**110.36**	**21,045.44**	**161.12**	**–**
Additions	–	81.10	303.81	–	–	–	10.19	20.68	415.78	208.48	71.91
Deletions/Adjustments	–	–	61.22	–	–	–	–	–	61.22	81.36	–
Balance as at 31.03.2026	**2,244.12**	**3,978.12**	**8,756.74**	**4,103.62**	**1,742.32**	**12.09**	**431.95**	**131.04**	**21,400.00**	**288.24**	**71.91**
Accumulated Depreciation											
Balance as at 31.03.2024	**–**	**1,095.18**	**4,701.54**	**570.97**	**1,437.18**	**5.86**	**288.02**	**53.22**	**8,151.97**	**–**	**–**
Depreciation for the year	–	157.75	465.87	275.30	0.90	1.36	25.93	9.70	936.81	–	–
Withdrawn	–	–	7.87	–	–	–	–	–	7.87	–	–
Balance as at 31.03.2025	**–**	**1,252.93**	**5,159.54**	**846.27**	**1,438.08**	**7.22**	**313.95**	**62.92**	**9,080.91**	**–**	**–**
Depreciation for the year	–	157.95	399.51	275.51	0.90	1.27	27.20	13.90	876.24	–	–
Withdrawn	–	–	34.36	–	–	–	–	–	34.36	–	–
Balance as at 31.03.2026	**–**	**1,410.88**	**5,524.69**	**1,121.78**	**1,438.98**	**8.49**	**341.15**	**76.82**	**9,922.79**	**–**	**–**
Net Carrying amount											
Balance as at 31.03.2025	**2,244.12**	**2,644.09**	**3,354.61**	**3,257.35**	**304.24**	**4.87**	**107.81**	**47.44**	**11,964.53**	**161.12**	**–**
Balance as at 31.03.2026	**2,244.12**	**2,567.24**	**3,232.05**	**2,981.84**	**303.34**	**3.60**	**90.80**	**54.22**	**11,477.21**	**288.24**	**71.91**

Capital Work in Progress Ageing Schedule **(Rupees in Lakhs)**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31.03.2026					
Projects in progress	208.48	79.76	–	–	288.24
Projects temporarily suspended	–	–	–	–	–
As at 31.03.2025					
Projects in progress	148.26	12.86	–	–	161.12
Projects temporarily suspended	–	–	–	–	–

Notes annexed to and forming part of the Standalone Ind AS Financial Statements

(Rupees in Lakhs)

Note :

1. Impairment loss recognized/reversed during the year Rs. Nil (2024-25 Rs.Nil)
2. Amount of Contractual Commitments for acquisition of Property, Plant and Equipment - Refer Note No.43
3. For details of Property, Plant and Equipment given as security against borrowings - Refer Note No.47
4. The Company has capitalised the specific borrowing cost of Rs. 18.28 Lakhs (2024-25 Nil) during the period on the qualified assets.
5. All the immovable properties are held in the name of the Company.
6. There are no proceedings initiated during the year or are pending against the company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
7. The Company does not have any Capital work-in-progress (CWIP) whose completion is overdue or has exceeded its original planned cost.

Intangible Assets under Development Ageing Schedule **(Rupees in Lakhs)**

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31.03.2026					
Projects in progress	71.91	–	–	–	71.91
Projects temporarily suspended	–	–	–	–	–
As at 31.03.2025					
Projects in progress	–	–	–	–	–
Projects temporarily suspended	–	–	–	–	–

Note 2 : Right of Use Assets

Particulars	Amount
Leasehold Land and Buildings	
Gross Carrying amount	
Balance as at 31.03.2024	**45.60**
Additions	3.72
Deletions / Adjustments	–
Balance as at 31.03.2025	**49.32**
Additions	4.62
Deletions / Adjustments	–
Balance as at 31.03.2026	**53.94**
Accumulated Depreciation	
Balance as at 31.03.2024	**14.43**
Depreciation for the year	8.37
Withdrawn	–
Balance as at 31.03.2025	**22.80**
Depreciation for the year	10.98
Withdrawn	–
Balance as at 31.03.2026	**33.78**
Net Carrying amount	
Balance as at 31.03.2025	**26.52**
Balance as at 31.03.2026	**20.16**

Notes : 1. Lease hold land and buildings is pursuant to application of Ind As 116. Refer Note No. 48
2. Lease agreements are duly executed.

Notes annexed to and forming part of the Standalone Ind AS Financial Statements (Rupees in Lakhs)

Particulars	Amount
Note 3 : Intangible Assets	
Computer Software	
Gross Carrying amount	
Balance as at 31.03.2024	**0.48**
Additions	–
Deletions/Adjustments	–
Balance as at 31.03.2025	**0.48**
Additions	–
Deletions/Adjustments	–
Balance as at 31.03.2026	**0.48**
Accumulated Depreciation	
Balance as at 31.03.2024	**0.44**
Amortisation for the year	–
Withdrawn	–
Balance as at 31.03.2025	**0.44**
Amortisation for the year	–
Withdrawn	–
Balance as at 31.03.2026	**0.44**
Net Carrying amount	
Balance as at 31.03.2025	**0.04**
Balance as at 31.03.2026	**0.04**

Notes : 1. Impairment loss recognized/reversed during the year Rs.Nil (2024-25 Rs.Nil)

Particulars	As at 31.03.2026	As at 31.03.2025
Note 4 : Biological Assets other than Bearer plants		
Biological Assets - Cattles	**198.21**	144.85
	198.21	144.85
Reconciliation of Carrying amount		
Balance at the beginning of the year	**144.85**	135.85
Cattles purchased during the year	–	–
Change in Fair Value/Cattles matured during the year	**53.36**	21.25
Cattles sold/discarded during the year	–	12.25
Balance at the end of the year	**198.21**	144.85

Note :

1. As at 31.03.2026, there were 243 cattles as biological assets (31.03.2025 : 219)
2. The fair valuation of biological assets is classified as Level 2 in the fair value hierarchy as they are determined based on the best available quote from the nearest market on the basis of age of cows and calves.

Particulars	As at 31.03.2026	As at 31.03.2025
Note 5 : Non - Current Financial Assets - Investments		
Investments in Equity instruments		
I. Quoted Equity Shares - At FVTPL		
Others		
1,463 (31.03.2025 : 1,463) Equity shares of Rs.10 each in Karnataka Bank Limited	**3.27**	2.57
II. Unquoted Equity Shares		
Associates		
19,90,000 (31.03.2025 : 19,90,000) Equity shares of Rs.10 each in SPMM Health Care Services Private Limited	**199.00**	199.00
	202.27	201.57
Less : Provision for diminution in value towards	–	–
	202.27	201.57
Aggregate cost of Quoted Investments	**0.15**	0.15
Aggregate market value of Quoted Investments	**3.27**	2.57
Aggregate amount of unquoted Investments	**199.00**	199.00
Aggregate amount of impairment in value of Investments	–	–

Note : All the investments made by the Company are fully paid-up unless otherwise stated

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	As at 31.03.2026	As at 31.03.2025
Note 6 : Other Non Current Financial Assets		
Unsecured and Considered Good		
Security Deposits	**415.03**	322.16
Bank deposits with original maturity of greater than 12 months	**0.10**	0.10
	415.13	322.26
Note 7 : Other Non Current Assets		
Unsecured and Considered Good, unless otherwise stated		
Amount recoverable from employee (Refer Note. 52)		
Considered good	**–**	100.00
Considered doubtful	**1,309.26**	1,209.26
	1,309.26	1,309.26
Less : Provision for doubtful amount	**1,309.26**	1,209.26
	–	100.00
Capital Advances	**53.05**	23.10
	53.05	123.10
Note 8 : Inventories		
Raw materials	**4,291.13**	2,873.51
Work-in-progress	**3,596.89**	3,099.41
Finished goods - Yarn	**478.17**	1,652.22
Stores and spares	**106.54**	37.09
	8,472.73	7,662.23

Note :

1. There are no goods in transit as at the end of the current reporting period and the previous reporting period.
2. Cost of materials consumed during the year, Refer Note No. 30

Particulars	As at 31.03.2026	As at 31.03.2025
Note 9 : Trade Receivables		
Undisputed, Unsecured - Considered Good Related Parties	**93.68**	20.75
Undisputed, Unsecured - Considered Good Others	**1,721.57**	2,140.20
Undisputed, Unsecured - Credit Impaired	**77.21**	77.21
	1,892.46	2,238.16
Less : Provision for Expected Credit Losses	**77.21**	77.21
	1,815.25	2,160.95

Trade Receivables Ageing as on 31.03.2026

Particulars	Outstanding as on 31.03.2026 for the following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 year - 2 year	2 year - 3 year	More than 3 year	Total
Undisputed Trade receivables							
Undisputed considered good related parties	–	75.22	–	18.46	–	–	93.68
Undisputed considered good others	1,115.33	497.46	19.46	5.23	84.09	–	1,721.57
Undisputed which have significant credit risk	–	–	–	–	–	–	–
Undisputed credit impaired	–	–	–	–	–	77.21	77.21
Disputed Trade receivables	–	–	–	–	–	–	–
Total	**1,115.33**	**572.68**	**19.46**	**23.69**	**84.09**	**77.21**	**1,892.46**

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	As at 31.03.2026	As at 31.03.2025

Trade Receivables Ageing as on 31.03.2025

Particulars	Outstanding as on 31.03.2025 for the following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 year - 2 year	2 year - 3 year	More than 3 year	Total
Undisputed Trade receivables							
Undisputed considered good related parties	–	20.75	–	–	–	–	20.75
Undisputed considered good others	1,393.77	552.44	29.18	164.81	–	–	2,140.20
Undisputed which have significant credit risk	–	–	–	–	–	–	–
Undisputed credit impaired	–	–	–	–	5.99	71.22	77.21
Disputed Trade receivables	–	–	–	–	–	–	–
Total	**1,393.77**	**573.19**	**29.18**	**164.81**	**5.99**	**71.22**	**2,238.16**

Note 10A : Cash and Cash Equivalents

Balances with Banks	**17.95**	3.76
Cash on hand	**0.11**	0.89
	18.06	4.65

Note 10B : Bank Balances other than Cash and Cash Equivalents

Earmarked Balances with banks		
Balance in Unclaimed Dividend accounts	**4.68**	5.87
Liquid assets deposits #	**48.00**	84.09
Deposits with Banks held as margin money #	**103.28**	106.05
Earmarked deposits	**50.00**	–
	205.96	196.01

represents deposits with original maturity of more than 3 months and less than 12 months

Note 11 : Other Current Financial Assets

Accrued Interest	**41.56**	33.16
Export incentive receivable	**23.66**	3.77
Employee advances	**147.22**	112.45
Rent receivable	**–**	3.07
Other receivable	**50.19**	27.68
	262.63	180.13

Note 12 : Current Tax Assets/(Liabilities) - Net

Opening balance	**25.42**	27.19
Net Taxes paid/(refund) for the year	**3.60**	(1.77)
Current Tax Assets/(Liabilities) - Net	**29.02**	25.42

Note 13 : Other Current Assets

Unsecured Considered Good		
Prepaid expenses	**126.20**	117.33
Supplier advances	**510.22**	106.35
Balance with Government Authorities	**1,531.27**	1,594.03
	2,167.69	1,817.71

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	As at 31.03.2026	As at 31.03.2025
Note 14 : Assets Classified as Held for Sale		
Plant and Machinery		
Cost of Assets Classified as Held for Sale	**513.25**	645.67
Less : Accumulated Depreciation thereon	**(203.16)**	(255.58)
Value of Assets Classified as Held for Sale	**310.09**	390.09
Less : Value of Assets Sold	**–**	(80.00)
Closing Balance	**310.09**	310.09
Note 15 : Equity Share Capital		
Authorised		
50,00,000 Equity Shares (31.03.2025 : 50,00,000) of Rs. 10 each with voting rights	**500.00**	500.00
Issued		
42,86,400 Equity Shares (31.03.2025 : 42,86,400) of Rs. 10 each with voting rights	**428.64**	428.64
Subscribed and paid up share capital		
42,64,600 Equity Shares (31.03.2025 : 42,64,600) of Rs. 10 each with voting rights	**426.46**	426.46
Add: Forfeited Shares (Amount originally paid in respect of 21,800 Equity Shares)	**1.09**	1.09
	427.55	427.55

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	**As at 31.03.2026**		As at 31.03.2025	
	No. of Shares	Amount (Rs. in Lakhs)	No. of Shares	Amount (Rs. in Lakhs)
Equity Shares				
At the beginning of the period	**42,64,600**	**426.46**	42,64,600	426.46
At the end of the period	**42,64,600**	**426.46**	42,64,600	426.46

b. Terms/rights and restrictions in respect of Equity Shares

The Company has only one class of equity shares having face value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend recommended by the Board of Directors is subject to the approval of shareholders at the ensuing Annual General Meeting.

c. Details of shareholders holding more than 5% Shares in the Company

Name of the Shareholder	**As at 31.03.2026**		As at 31.03.2025	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares with voting rights				
S. Devarajan	**6,26,599**	**14.69%**	6,26,599	14.69%
S. Jegarajan	**4,88,576**	**11.46%**	4,88,576	11.46%
S. Dinakaran	**4,19,044**	**9.83%**	4,19,044	9.83%

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

d. Details of shareholding of Promoters in the Company

Name of the Shareholder	As at 31.03.2026		As at 31.03.2025		% Change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Equity Shares with voting rights					
S. Devarajan	**6,26,599**	**14.69%**	6,26,599	14.69%	0.00%
S. Jegarajan	**4,88,576**	**11.46%**	4,88,576	11.46%	0.00%
S. Dinakaran	**4,19,044**	**9.83%**	4,19,044	9.83%	0.00%
R. Natarajan	**1,92,390**	**4.51%**	1,92,390	4.51%	0.00%
D. Sudharshan	**88,760**	**2.08%**	88,760	2.08%	0.00%
D. Senthilnathan	**60,109**	**1.41%**	60,109	1.41%	0.00%
N. Porkodi	**61,880**	**1.45%**	61,880	1.45%	0.00%
D. Rathipriya	**41,580**	**0.98%**	41,580	0.98%	0.00%
V. Valarnila	**37,160**	**0.87%**	37,160	0.87%	0.00%
D. Manjula	**30,540**	**0.72%**	30,540	0.72%	0.00%
Ramya Jegarajan	**26,540**	**0.62%**	26,540	0.62%	0.00%
J. Parameswari	**22,575**	**0.53%**	22,575	0.53%	0.00%
J. Sakthivel	**14,600**	**0.34%**	14,600	0.34%	0.00%
N. Usha	**14,250**	**0.33%**	14,250	0.33%	0.00%
S. Sivakumar	**3,848**	**0.09%**	3,848	0.09%	0.00%
D. Niranjankumar	**5,800**	**0.14%**	5,800	0.14%	0.00%
D. Minusakthipriya	**4,000**	**0.09%**	4,000	0.09%	0.00%
D. Anupama	**3,220**	**0.08%**	3,220	0.08%	0.00%
A. Sarayu	**186**	**0.00%**	186	0.00%	0.00%
R. Selvarajan	**101**	**0.00%**	101	0.00%	0.00%
Shahasara Shankana N	**500**	**0.01%**	–	0.00%	0.01%
Thiyashyugan S	**100**	**0.00%**	–	0.00%	0.00%
Sakthivel Aarav Yugan	**100**	**0.00%**	–	0.00%	0.00%
	21,42,458	**50.24%**	21,41,758	50.22%	0.02%

e. Share issue in preceeding five years

Aggregate number and class of shares allotted for consideration other than cash, bonus, etc. in the five years immediately preceeeding the Balance Sheet date as at 31.03.2026 is Rs. Nil (31.03.2025 : Rs. Nil).

Note 16 : Other Equity

Particulars	Note No	As at 31.03.2026	As at 31.03.2025
Securities Premium Reserve	A	**539.09**	539.09
General Reserve	B	**4,464.67**	4,464.67
Retained Earnings	C	**2,617.71**	3,191.91
Other Comprehensive Income	D	**(34.17)**	(44.15)
		7,587.30	8,151.52

Refer Statement of Changes in Equity for additions/ deletions during the period

Notes :

A. Securities Premium Reserve represents premium received on issue of Equity Shares, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.

B. General Reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, Bonus issue, etc.

C. Retained earnings includes Revaluation reserve of Rs. 2707.94 lakhs which was transferred to retained earnings on the transition date, may not be available for distribution.

D. Other Comprehensive Income represents the cumulative gain/loss arising on remeasurement of defined benefit obligation. This would not be reclassified to the Statement of Profit and Loss.

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	As at 31.03.2026	As at 31.03.2025
NON-CURRENT LIABILITIES		
Note 17 : Financial Liabilities - Long Term Borrowings		
Secured Borrowings		
Term loan from Banks	**2,619.25**	2,438.92
Unsecured Borrowings		
From Directors	**467.00**	702.00
Fixed Deposits from members	**871.36**	709.91
Interest free Unsecured Loan from Directors	**262.00**	–
Deferred Payment Liabilities	**2,278.53**	732.73
	6,498.14	4,583.56

Note :
1. Refer Note 22 for Current maturities of Non Current Borrowings
2. Refer Note 47 for Nature of security for Borrowings
3. Refer Note 46 for Borrowings from Related parties
4. The company has utilised the borrowings only for the intended purpose for which the borrowings were availed.
5. The company has not utilised the borrowings raised on short term basis for long term puposes.

Note 18 : Lease Liabilities (Non-Current)		
Lease Liabilities from Related party (Ind AS 116)	**10.87**	20.10
	10.87	20.10

Note :
1. Refer Note 23 for Current Maturities of Lease Liabilities
2. Refer Note 48 for disclosure under Ind AS 116
3. Refer Note 46 for Lease Liabilities from Related parties

Note 19 : Other Non Current Financial Liabilities		
Security Deposits	**5.23**	5.23
	5.23	5.23
Note 20 : Non - Current Provisions		
Provision for Employee benefits		
Contribution to Gratuity Fund	**339.99**	133.04
	339.99	133.04
Note 21 : Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities	**1,498.00**	1,533.73
Deferred Tax Assets	**1,444.37**	1,311.19
Net Deferred Tax Liabilities	**53.63**	222.54

Note : Refer Note. 40 for details of Deferred Tax Liabilities and Assets

CURRENT LIABILITIES		
Note 22 : Financial Liabilities - Short Term Borrowings		
Secured Borrowings		
Cash Credit / Overdraft facilities from Banks	**5,210.64**	5,115.45
Current Maturities of Long Term Borrowings	**1,212.09**	1,394.05
Acceptance of LC	**733.20**	544.44
Unsecured Borrowings		
Fixed Deposits From Directors	**3.00**	15.00
Fixed Deposits from members	**218.65**	247.90
	7,377.58	7,316.84

Note :
1. Refer Note 47 for Nature of Security for Borrowings
2. The Quarterly returns/statement of Current Assets filed by the Company with banks are in agreement with the books of account

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	As at 31.03.2026	As at 31.03.2025
Note 23 : Lease Liabilities (Current)		
Lease Liabilities from Related party (Ind AS 116)	**11.96**	9.37
	11.96	9.37

Note :
1. Refer Note 48 for Disclosure under Ind AS 116
2. Refer Note 46 for Lease Liabilities from Related parties

Particulars	As at 31.03.2026	As at 31.03.2025
Note 24 : Trade Payables		
Outstanding dues of trade payables to		
a) Micro and Small Enterprises	**736.33**	226.12
b) Other than Micro and Small Enterprises	**1,672.84**	2,172.19
	2,409.17	2,398.31

Trade payables Ageing as on 31.03.2026

Particulars	Outstanding as at 31.03.2026 for the following periods from the due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
a) Micro and Small Enterprises	736.33	–	–	–	736.33
b) Others	1,672.84	–	–	–	1,672.84
c) Diputed Dues - Micro and Small Enterprises	–	–	–	–	–
d) Disputed Dues - Others	–	–	–	–	–
Total	**2,409.17**	**–**	**–**	**–**	**2,409.17**

Trade payables Ageing as on 31.03.2025

Particulars	Outstanding as at 31.03.2025 for the following periods from the due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
a) Micro and Small Enterprises	226.12	–	–	–	226.12
b) Others	2,148.40	0.82	22.97	–	2,172.19
c) Diputed Dues - Micro and Small Enterprises	–	–	–	–	–
d) Disputed Dues - Others	–	–	–	–	–
Total	**2,374.52**	**0.82**	**22.97**	**–**	**2,398.31**

Note : The outstanding dues to Micro and Small Enterprises have been determined based on the information available with the management.

Supplier Finance Arrangements :

Certain suppliers of the company have availed arrangements with banks under Letters of Credit to receive payment before the original due date. The company settles the corresponding amounts with the financing banks on the agreed dates with the underlining commercial credit terms remaining unchanged. As at March 31, 2026 the carrying amount of liabilities subject to such arrangements is Rs 733.20 lakhs, in respect of which the suppliers have received payment from the banks. The company has classified these liabilities under short term borrowings. There were no significant non-cash changes in the carrying amount of these liabilities during the year.

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	As at 31.03.2026	As at 31.03.2025
Additional Disclosure :		
Based on and to the extent of information available with the Company under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:		
i) Principal amount due to suppliers under MSMED Act, as at the end of the year	**736.33**	226.12
ii) Interest accrued and due to suppliers under MSMED Act, on the above amount as at the end of the year	**5.27**	3.78
iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	**–**	–
iv) Interest paid to suppliers under MSMED Act (other than Section 16)	**–**	–
v) Interest paid to suppliers under MSMED Act (Section 16)	**–**	–
vi) Interest due and payable to suppliers under MSMED Act, for payments already made	**–**	–
vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	**5.27**	3.78
Note 25 : Other Current Financial Liabilities		
Interest accrued but not due	**15.10**	23.05
Unclaimed Dividends	**4.68**	5.87
Accrued expenses/liabilities	**483.59**	537.82
Expenses payable	**362.33**	925.78
Employee payables	**99.90**	62.91
	965.60	1,555.43
Note 26 : Other Current Liabilities		
Advance from customers	**98.89**	139.03
Statutory liabilities	**37.27**	30.37
	136.16	169.40
Note 27 : Current Provisions		
Provision for Employee benefits		
Contribution to Gratuity Fund	**70.47**	198.09
Provision for Bonus	**114.00**	110.20
	184.47	308.29

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
Note 28 : Revenue from Operations		
Sale of products		
Yarn	**25,394.03**	25,839.86
Fabric sales	**–**	8.65
Process waste	**776.91**	861.78
	26,170.94	26,710.29
Other Operating revenues		
Power generated by Wind Energy Converters (Net of Captive generation)	**120.58**	109.54
Scrap sales	**7.19**	7.31
Export incentives	**67.74**	20.96
	195.51	137.81
Total Revenue from Operations	**26,366.45**	26,848.10

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
Note 29 : Other Income		
Interest Income	**35.56**	32.84
Dividend income from Non-current investments	**0.07**	0.08
Rent received	**10.90**	10.90
Certification charges	**9.25**	36.94
Net Gain or Loss arising on Fair Value of Biological asset	**53.36**	21.25
Net Gain arising on Fair Value of Financial Asset	**0.70**	–
Foreign Exchange Gain (Net)	**24.69**	4.61
	134.53	106.62
Note 30 : Cost of Materials Consumed		
Opening Stock of Raw materials	**2,873.51**	2,841.22
Add : Purchase of Raw materials	**18,498.04**	18,275.23
	21,371.55	21,116.45
Less : Closing Stock of Raw materials	**4,291.13**	2,873.51
Raw materials consumed	**17,080.42**	18,242.94
Note 31 : Changes in Inventories of Finished Goods and Work-in-Progress		
Inventories at the end of the year		
Finished Goods	**478.17**	1,652.22
Work-in-Progress	**3,596.89**	3,099.41
	4,075.06	4,751.63
Inventories at the beginning of the year		
Finished Goods	**1,652.22**	1,970.63
Work-in-Progress	**3,099.41**	2,679.40
	4,751.63	4,650.03
Net Change in Inventories of Finished Goods and Work-in-Progress	**676.57**	(101.60)
Note 32 : Employee Benefits Expense		
Salaries, Wages and Bonus	**2,993.91**	3,098.18
Contribution to Provident, Gratuity and other funds	**299.79**	335.18
Staff Welfare expenses	**93.89**	80.57
	3,387.59	3,513.93
Note 33 : Finance Costs		
Interest Expenses	**1,138.88**	1,138.81
Interest on MSME	**5.27**	3.78
Interest on lease liabilities (Ind AS 116)	**2.72**	3.35
	1,146.87	1,145.94
Note 34 : Depreciation and Amortisation Expense		
Property, Plant and Equipment		
Buildings	**157.95**	157.75
Plant and Machinery	**399.51**	465.87
Wind Energy Converters	**0.90**	0.90
Solar Equipments	**275.51**	275.30
Furniture and Fixtures	**1.27**	1.36
Office and Other Equipments	**13.90**	9.70
Vehicles	**27.20**	25.93
	876.24	936.81

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
Right of Use Asset		
Land and Buildings	**10.98**	8.37
	10.98	8.37
Intangible Assets		
Computer Software	**–**	–
	–	–
	887.22	945.18

Refer note 1, 2 and 3 on Property, Plant and Equipments, Right of Use Asset and Intangible Assets The Company has not charged depreciation to an extent of Rs. 71.12 lakhs during the year ended 31.03.2026 on these assets in accordance with Ind AS 105.

Note 35 : Other Expenses

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
Cotton dyeing, Fabric conversion, Yarn mercirising and doubling charges	**416.80**	395.48
Consumption of stores and spares	**335.47**	375.53
Power and fuel (Net)	**1,654.78**	1,842.08
Rent	**0.05**	0.66
Repairs and maintenance - Buildings	**24.96**	32.67
- Plant and Machinery	**270.04**	285.08
- Others	**22.98**	25.36
Insurance	**36.03**	35.87
Rates and taxes	**69.70**	26.29
Testing charges	**16.41**	18.44
Packing and forwarding charges	**272.97**	234.72
Dairy farm expenditure	**11.25**	46.10
Sales Promotion Expenses	**45.67**	94.94
Security charges	**38.90**	18.34
Subscription & Periodicals	**7.49**	8.01
Printing and Stationery	**20.49**	20.86
Postage and Courier	**4.42**	4.84
Telephone and Internet Charges	**6.54**	6.98
Brokerage and Commission on sales	**145.48**	106.94
Auditor Remuneration	**12.76**	10.08
Legal and Professional charges	**66.23**	51.05
Travel and Vehicle upkeep expenses	**324.92**	359.62
Loss on sale of Property, Plant and Equipment	**14.46**	17.79
Loss arising on Fair Value of Financial Asset	**–**	0.73
Directors' sitting fees	**17.60**	18.50
Corporate Social Responsibility Expenditure (Refer Note No : 38)	**3.62**	4.20
Provision for Expected Credit Losses / Impairment	**103.54**	97.11
Bank and Other financial charges	**68.99**	66.32
Miscellaneous Expenses	**56.38**	60.86
	4,068.93	4,265.45

Notes : Breakup of Auditor's Remuneration :

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
Payment to Auditors as		
i) Statutory Audit	**8.00**	8.00
ii) Tax Audit	**2.00**	2.00
iii) Certification and Other services	**2.76**	0.08

Note No. 36

Statement of Material Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2026

1. Corporate Information:

Sambandam Spinning Mills Limited (the 'Company') is a listed Public Company having its registered in Mill Premises, Kamaraj Nagar Colony, Salem District - 636 014, Tamil Nadu State. The Company's Shares are listed on the Bombay Stock Exchange (BSE). The Company is into the business of manufacture of Yarn (cotton, synthetic, etc) and Fabric. The company has three manufacturing locations around Salem, 12.35 MW Wind Energy Converters located in Tirunelvi District, Tamil Nadu State and 9MW of solar energy plants which produce electricity for its own consumption and for sale.

The Board of Directors approved the standalone financial statements for the year ended 31st March 2026 at their Board meeting held on 23rd May 2026.

2. Material Accounting Policies:

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation of Financial Statements

(i) Compliance with Indian Accounting Standards (IND AS)

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015, as amended and other relevant provisions of the Act. The financial statements comply in all material aspects with Ind AS notified under the Act read with other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical Cost Convention

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

* Certain financial assets and liabilities that are measured at fair value.
* Defined benefit plans – plan assets measured at fair value.

The fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, as described below:

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/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)

(iii) Current and Non - Current Classification

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act 2013.

Deferred Tax assets and liabilities are classified as Non-current assets and liabilities.

The company has identified Twelve months for the classification as current and non current.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimal places of lakhs as per the requirement of Schedule III, unless otherwise stated.

Statement of Material Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd...)

b) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (Rs), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Statement of Profit and Loss.

c) Revenue Recognition

Revenue from contracts with customers is recognised on transfer of control of promised goods or service to a customer at an amount that reflects the consideration to which the company is expected to be entitled to in exchange for those goods or services. The company recognises the revenue at the amount of transaction price on the satisfaction of performance obligation. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Revenue is recognised only to the extent that is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of products

Timing of recognition – Revenue from sale of products is recognized when the performance obligations are satisfied and the control of the products is transferred to customers based on the terms of contract. Revenue is recognised when collectability of the resulting receivable is reasonably assured.

Measurement of revenue -Revenue is measured based on the transaction price, which is the consideration, net of customer incentives, discounts, variable considerations, payments made to customers as specified in the terms of contract with customers. A receivable is recognized when the goods are dispatched, delivered or upon formal customer acceptance depending on terms of contract with the customer.

Rendering of services

Revenue from services is recognized in accordance with the specific terms of contract on performance when the collectability of the resulting receivable is reasonably assured.

Income from energy generated

Revenue from energy generated through windmills is recognised based on the contractual rates with the customers and the credit granted by the regulatory authorities to the said customers for units generated.

Other Operating revenues

Other operating revenues comprise of income from ancillary activities incidental to the operations of the company and is recognised when the right to receive the income is established as per the terms of the contract.

d) Other Income

Other income comprising of interest income and rental income are accounted on accrual basis.

Dividend income from investments is recognised when the company's right to receive payment has been established (provided that 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 (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured realiably).

Statement of Material Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd...)

e) Government Grants

Grants from the government (including export incentives) are recognised only where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants are recognised in profit and loss account on a systematic basis over the periods in which they accrue. Income is deferred in case the Income is recognized in future periods.

f) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current tax is the amount of income tax payable in respect of taxable profit for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all deductible temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in Statement of Profit and Loss, except to the extent relates to items recognised in Other Comprehensive Income, in which case, it is recognised in Other Comprehensive Income. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against Current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

g) Leases

As a lessee :

The Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases)and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight -line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU Assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of–use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-ofuse assets are depreciated from the commencement date on a straight -line basis over the shorter of the useful life of the asset or the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Statement of Material Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd...)

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease Liabilities are re-measured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset shall be separately presented in the Balance Sheet and Lease payments shall be classified as financing cash flows.

As a lessor :

The Company classifies the lease when it does not transfer substantially all the risks and rewards of ownership of an asset as operating leases. The rental income under operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

h) Property, Plant and Equipment

Property, Plant and Equipment are measured at cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Cost includes related taxes, duties, freight, insurance etc., attributable to acquisition and installation of assets and borrowing cost incurred up to the date of commencing operations, but excludes duties and taxes that are recoverable from taxing authorities.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Cost in the nature of repairs and maintenance are recognised in the Statement of Profit and Loss during the reporting period in which they are incurred.

Assets which are not ready for their intended use and other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Advances given towards acquisition of Property, Plant and Equipment outstanding at each balance sheet date are disclosed as Capital Advances under Other Non-Current Assets.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment.

Depreciation/Amortisation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line basis and the rates arrived are based on the useful lives prescribed in Schedule II to the Companies Act, 2013, except in respect of the following assets, where useful life is different than those specified in Schedule II to the Companies Act are used:

Asset Description	Life of the asset (in year's)
Plant and equipment (continuous process plant)	Over its useful life of 18 years as Technically assessed
Wind energy convertors	Over its useful life of 18 years as Technically assessed

The company follows the policy of charging depreciation on pro- rate basis on the assets acquired during the year. Leasehold asset's are amortised over the period of lease or useful life whichever is less. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Statement of Material Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd...)

Dercognition

An item of Proprty, plant and equipment is derecognised upon disposal / when no future economic benefits are expected to arise from the continued use of assets. Gains or losses on disposal are determined by comparing proceeds with the carrying amount.

i) Intangible assets

i) Recognition

Intangible assets are recognised only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life.

ii) Amortization methods and periods

The Company amortizes intangible assets on a straight line method over their estimated useful life not exceeding 5 years. Software is amortised over a period of three years.

j) Impairment of Assets

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An Impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non- financial assets other than good that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

k) Biological Assets:
Livestock - Cattles

Livestock are measured at fair value less cost to sell. Costs to sell include the transportation charges for transporting the cattle to the market but excludes finance costs and income taxes. Changes in fair value of livestock are recognised in the Statement of Profit and Loss. Costs such as vaccination, fodder and other expenses are expensed as incurred.

l) Cash Flow Statement & Cash and Cash Equivalents

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

For the purpose of presentation in the Cash flow statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

m) Trade Receivables
Trade receivables are recognised initially at transaction price.

n) Inventories

Raw materials and stores, work-in-progress, finished goods are stated at the lower of cost and net realizable value.

Cost of raw materials comprise of cost of purchase.

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of normal operating capacity.

Statement of Material Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd...)

Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

o) Investment in Associates

The investment in associates are carried in the financial statements at historical cost except when the investment is classified as held for sale in which case it is accounted in accordance with Ind AS 105 - "Non – current assets held for sale and discontinued operations".

Investments in associates carried at cost are tested for impairment in accordance with Ind AS 36. Any impairment loss reduces the carrying value of the investment. The impairment losses so recognised is limited to the carrying value of the investment.

p) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument.

Financial Instruments are initially measured at fair value other than trade receivables which is recognized at transaction value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

i.) Classification

The company classifies its financial assets in the following measurement categories:

a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b) those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments only when its business model for managing those assets changes.

ii) Initial Recognition

All financial assets are recognised initially at fair value, plus in the case of financial assets not at recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Statement of Material Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd...)

iii) Subsequent measurement

Subsequent measurement of debt instruments depends on the Company's business model for managing the assets and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost :

Assets that are held for collection of contractual cash flows where those cash represents the solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair Value through Other Comprehensive Income (FVOCI) :

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interestrevenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value through Profit or Loss (FVTPL) :

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments :

The Company subsequently measures all equity investments (other than investment in associates) at fair value. Dividends from such investment are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the other income.

iv) Impairment of Financial Assets

The Company assesses the expected credit losses associated with its assets carried at amortised cost in accordance with Ind AS 109. The Company recognises impairment losses on its financial assets based on whether there has been a significant increase in credit risk. The Company applies the simplified approach in accordance with Ind AS 109 Financial Instruments on trade receivables, where lifetime impairment losses is recognised at each reporting date, right from initial recognition of the receivables.

The Company recognises impairment loss on other financial assets measured at fair value at amortised cost, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk has not increased significantly, an amount equal to 12 month expected credit losses is measured as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime expected credit losses is measured and recognised as loss allowance.

Statement of Material Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd...)

v) Derecognition of Financial Assets

A financial asset is derecognized only when

a) The company has transferred the rights to receive cash flow from the financial asset or

b) The rights to receive the cash flows of the financial assets have expired

q) Derivatives

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted at fair value through profit or loss and are included in profit and loss account.

r) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

Financial Liabilities

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Initial Recognition and Measurement

All financial liabilities are initially recognised at the value of respective contractual obligations. The Company's financial liabilities includes loans and borrowings, trade and other payables are recognised at net of directly attributable transaction costs

Subsequent Measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest rate mehtod.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original financial liability and the recognition of a new financial liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

s) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowings costs are expensed in the period in which they are incurred.

Statement of Material Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd...)

t) Provisions and Contingencies

Provisions for legal claims and returns are recognised when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses

When the effect of time value of money is material, the provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as finance costs.

A contingent liability is disclosed whenever there is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events is not recognised as it is not probable to determine the reliability and outflow of resources that will be required to settle the obligation.

u) Employee benefits

(i) Short-term obligations

All employee benefits that are expectd to be settled within 12 months in which the employees render the related service are classifed as short-term employee benefits and are recognized in respect of employee's services up to the end of the reporting period. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Therefore they are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an the unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity; and

(b) Defined contribution plans such as provident fund and employee state insurance.

Statement of Material Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd...)

Gratuity obligations

The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in Other Comprehensive Income in the period in which they occur.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss.

Defined contribution plans

The company pays provident fund and employee state insurance contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plan and the contributions are recognized as employee benefit expense when they are due.

(iv) Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

v) Earning per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

a) The profit/(loss) attributable to owners of the company

b) By the weighted average number of equity shares outstanding during the financial year.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, other than the coversion of potential ordinary shares, that have changed the number of ordinary shares outstanding without a corresponding change in resources.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

a) The profit/(loss) for the period attributable to the owners of the company

b) The weighted average number of equity shares outstanding during the financial year, is adjusted for the effects of the all the dilutive potential equity shares.

Statement of Material Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd...)

w) Non-Current Assets held for sale:

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and a sale is considered highly probable.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized while they are classified as held for sale.

x) Critical estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:
1. Estimation of defined benefit obligation
2. Useful lives of fixed assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

y) Recent Pronouncements

'Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

The MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates in May 2025, applicable with effect from April 1, 2025. The Company has evaluated the applicability of these amendments and concluded that they do not have a material impact on its financial statements.

The MCA notified amendments to Ind AS 1 – Presentation of Financial Statements in August 2025, applicable with effect from April 1, 2025. The Company has evaluated the amendments relating to the classification of current and non-current liabilities, and concluded that they do not have a material impact on the classification or presentation of its liabilities in the financial statements.

The MCA notified amendments to Ind AS 7, Statement of Cash Flows and Ind AS 107,Financial Instruments - Disclosures, applicable w.e.f. 1st April 2025 - The amendment in Ind AS 7 requires to inform users of financial statements of the existence and details of supplier finance arrangements. The Company has reviewed the amendment and appropriate disclosures have been made

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025

Note 37 : Details of Undisclosed Income, if any

The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 38 : Expenditure incurred on Coporate Social Responsibilities

		Year Ended 31.03.2026	Year Ended 31.03.2025
i)	Gross amount required to be spent by the Company during the year	**–**	–
ii)	Amount spent during the year	**3.62**	4.20
iii)	Amount unspent as at the year end (shortfall)	**–**	–
iv)	Total of previous years shortfall	**–**	–
	Nature of CSR Activities		
i)	Promoting Health care and sanitation	**3.62**	4.20

Other disclosures with respect to Corporate Social Responsibility expenditure:

i) The Company has not made any provision in relation to CSR expenditure during the year and any previous year.

ii) The Company has not made any CSR contribution to any related party during the year.

Note 39 : Details of Crypto Currency or Virtual Currency, if any

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year ended 31.03.2026.

Note 40 : Tax Expenses

The major component of income tax expenses for the years ended 31.03.2026 and 31.03.2025 are as follows:

		Year Ended 31.03.2026	Year Ended 31.03.2025
a)	**Tax Expenses/(Benefit) recognised in Statement of Profit and Loss**		
	Current Tax Expenses		
	In respect of the current year	**–**	–
	In respect of the earlier year	**–**	–
		–	–
	Deferred Tax Expenses/(Benefit)		
	In respect of the current year	**(172.42)**	(273.74)
		(172.42)	(273.74)
	Income Tax Expenses/(Benefit) recognised in the Statement of Profit and Loss	**(172.42)**	(273.74)
b)	**Tax Expenses recognised in Other Comprehensive Income**		
	Remeaurement of Defined Benefit Plans	**3.51**	67.84
	Income Tax Expenses/(Benefit) recognised in Other Comprehensive Income	**3.51**	67.84

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
Reconcilitation of Income Tax Expenses/(Benefit) and accounting profit:		
The Income Tax expenses/(benefit) for the year can be reconciled to the accounting profit of the year as follows:		
Profit/(Loss) Before Tax from Continuing operations	**(746.62)**	(1,017.05)
Income Tax Rate	**26.00%**	26.00%
Income Tax Expenses calculated	**(194.12)**	(264.43)
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Expenses that are not deductible in determining taxable profit	**319.36**	275.49
Expenses that are deductible in determining taxable profit	**(297.66)**	(284.80)
Effect of Change in Tax rates	–	–
Income tax expense/(benefit) recognised in Statement of profit and loss (relating to continuing operations)	**(172.42)**	(273.74)

1. The surcharge has not been considered as the Company has incurred loss during the reporting period.
2. The Company has made an assessment on the impact of Section 115BAA of the Income Tax Act, 1961 and decided to continue with the existing tax structure.

Movement of Deferred Tax Expenses/(Income) during the year:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss, depreciation carry forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

The major components of deferred tax liabilities/(assets) arising on account of timing differences are as follows:

Year Ended 31.03.2026 **(Rupees in Lakhs)**

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Compreh-ensive Income	Closing Balance
Deferred Tax (Liabilities)/Assets in relation to:				
Property, Plant, and Equipment and Intangible Assets	(1,533.73)	35.73	–	(1,498.00)
Difference in treatment of expenses and Remeasurement of Defined Benefit Plans	179.24	172.46	(3.51)	348.19
Carry Forward Losses	1,131.95	(35.77)	–	1,096.18
	(222.54)	**172.42**	**(3.51)**	**(53.63)**

Year Ended 31.03.2025 **(Rupees in Lakhs)**

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Compreh-ensive Income	Closing Balance
Deferred Tax (Liabilities)/Assets in relation to:				
Property, Plant, and Equipment and Intangible Assets	(1,536.58)	2.85	–	(1,533.73)
Difference in treatment of expenses and Remeasurement of Defined Benefit Plans	234.66	12.42	(67.84)	179.24
Carry Forward Losses	873.48	258.47	–	1,131.95
	(428.44)	**273.74**	**(67.84)**	**(222.54)**

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	**Group Gratutity 31.03.2026**	Group Gratutity 31.03.2025

Note 41 : Disclosure under IND AS 19:

A. Defined Contribution Plans

The Company has defined contribution plans like Provident Fund and Employee State Insurance Scheme for the eligible employees of the Company in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary for the benefit of employees. The total expenses recognised in Statement of Profit and Loss is Rs.206.96 Lakhs (for the year ended 31.03.2025 Rs. 221.67 lakhs)

B. Defined Benefit Plans
Gratuity

The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an Actuarial valuation. The Company makes annual contributions to a funded Company Gratuity scheme administered by the SBI Life Insurance Company Limited.

The Company's liability towards Gratuity (funded), other retirement benefits and Compensated absences are actuarially determined at each reporting date using the projected unit credit method.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

Interest risk - A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the details of the defined benefits obligation and amount recognised in the financial statements.

	31.03.2026	31.03.2025
Principal Actuarial Assumptions		
Discount Rate	**7.07%**	6.76%
Salary Escalation Rate	**5.00%**	5.00%
Expected Return on Plan Assets	**6.76%**	7.22%
Attrition Rate	**5.00%**	5.00%
1. Net Asset/(Liability) recognised in Balance sheet		
Present value of Defined Benefit Obligation	**919.55**	859.68
Fair value of Plan Assets	**509.58**	528.55
Net liability arising from Defined Benefit Obligation - Funded	**409.98**	331.13
2. Amounts recognised in Statement of Profit and Loss in respect of these defined benefit plans are as follows:		
Current Service Cost	**70.47**	66.72
Net Interest Expenses	**22.39**	46.80
Total Employer Expense recognised in Statement of Profit and Loss	**92.86**	113.52

The Current Service Cost and the Net Interest Expense for the year are included in the Employee Benefits Expenses in Statement of Profit and Loss.

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

	Particulars	Group Gratutity 31.03.2026	Group Gratutity 31.03.2025
3.	**Amounts recognised in Other Comprehensive Income in respect of these defined benefit plans are as follows:**		
	Remeasurement of Defined Benefit Obligation		
	Effect of Changes in Financial assumptions	**(15.97)**	40.16
	Effect of Changes in Experience adjustments	**2.89**	(469.53)
	(Return)/Loss on Plan Assets	**(0.41)**	(1.16)
	Other / Adjustments	**–**	169.62
	Net Cost in Other Comprehensive Income	**(13.49)**	(260.91)
	The remeasurement of the net Defined Benefit liability is included in Other Comprehensive Income.		
4.	**Change in Obligations**		
	Present Value of Defined Benefit Obligation at the beginning of the period	**859.68**	1,177.47
	Current Service Cost	**70.47**	66.72
	Interest Cost	**56.30**	83.61
	Actuarial (Gains)/Losses arising from Experience Adjustments	**(13.08)**	(429.37)
	Benefits paid	**(53.82)**	(38.75)
	Present Value of Defined Benefit Obligation at the end of the period	**919.55**	859.68
5.	**Change in Assets**		
	Fair Value of Plan Assets at the beginning of the period	**528.55**	529.32
	Expected Interest Income	**33.91**	36.82
	Employer Contributions	**–**	–
	Benefits paid	**(53.82)**	(38.75)
	Actuarial Gain/(Loss)	**0.94**	1.16
	Fair Value of Plan Assets at the end of the period	**509.58**	528.55

The Company funds the cost of the Gratuity expected to be earned on a yearly basis to SBI Life Insurance Company Limited, which manages the plan assets.

The Actual Return on Plan Assets was Rs. 34.84 Lakhs (2024-25 : Rs. 37.98 Lakhs)

Sensitivity Ananlysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant. The defined benefit obligation increases/decreases are as follows:

Discount Rate +50 Basis points - Decreases by	**25.64**	73.97
Discount Rate -50 Basis points - Increases by	**27.06**	87.32
Salary Escalation Rate +50 Basis points - Increases by	**25.99**	84.36
Salary Escalation Rate -50 Basis points - Decreases by	**24.83**	72.59

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

The Company expects to make a contribution of Rs. 70.47 Lakhs (as at March 31, 2025 : Rs. 198.09 Lakhs) to the defined benefit plans during the next financial year.

The Government of India vide notification dated 21st November 2025 has notified four Labour Codes ("New Labour Codes") consolidating 29 existing labour laws. Based on the Company's assessment there is no material impact on the financial results. The Company continues to monitor further developments of Central and State Government rules, as and when notified.

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025

Maturity Profile of Defined benefit obligation

Maturity Profile	31.03.2026	31.03.2025
1 year	**84.94**	86.99
2 year	**88.08**	81.50
3 year	**78.18**	76.31
4 year	**56.48**	71.41
5 year	**63.62**	49.78
More than 5 years	**548.25**	493.69
	919.55	859.68

Long Term Compensated Balances

The principal assumptions used for the purposes of the Actuarial valuation were as follows:

Discount Rate	**7.07%**	6.76%
Salary Escalation Rate	**5.00%**	5.00%

Note 42 : Earnings per Share

Basic and Diluted Earnings per Share		
From continuing operations	**(13.46)**	(17.43)
From discontinuing operations	**–**	–
Total Earnings per share	**(13.46)**	(17.43)

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

A.	**Net Profit after Tax available for equity shareholders (Rs. in Lakhs)**	**(574.20)**	(743.31)
B.	**Weighted average number of Equity shares of Rs. 10/- each**		
	i) Number of Shares at the beginning of the year	**42,64,600**	42,64,600
	ii) Number of Shares at the end of the year	**42,64,600**	42,64,600
	Weighted average number of Equity shares outstanding during the year	**42,64,600**	42,64,600
C.	**Basic and Diluted Earnings per Share (in Rs.)**	**(13.46)**	(17.43)

Note 43 : Contingent liabilities and Capital Commitments

A. Contingent liabilities not provided for

1.	During the year 2008-09, TNEB Peak Hour penalty was levied by TANGEDCO. The Company has contested the same through Tamilnadu Spinning Mills Association (TASMA) vide Civil Appeal No. 10901099 of 2011 and obtained favourable order. Subsequently, TANGEDCO has filed Civil case appeal before the Hon'ble Supreme Court. However, the company has paid the amount in full under protest.	**130.16**	130.16
2.	The Company has preferred an appeal before Madras High Court challenging the Electricity tax on Night Hour Rebate imposed by TANGEDCO for the period from 2009 to 2013. Further, TANGEDCO has filed a Civil Appeal No 167168 of 2012 before Supreme Court which is also pending for disposal. However, the company has paid the amount in full under protest.	**7.16**	7.16
3.	The company has filed the case before Madras High Court challenging the Penalty towards Quota litigation on working methods, which is to be finalised by TNE Regulatory Commission (Writ Appeal No 5094 of 2012, APTEL Order on 13(f) Interim Appeal No 736 of 2019 in DFR No 1584 of 2019). However the company has paid the amount in full under protest.	**5.98**	5.98

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

	Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
4.	The Company has filed an appeal before Madras High Court towards captive consumption tax on self generated power which was exempted by Government due to green energy concept with retrospective period and the order was received in favour of TANGEDCO. Hence, the Company, through Tamilnadu Spinning Mills Association (TASMA) has filed Special Leave Petition No. 26742 of 2012 on this subject and interim orders were passed not to pay E-tax.	**23.48**	23.48
	However the company has paid the amount in full under protest.		
5.	The Company has filed an appeal before Madras High Court contesting that the actual charges should be Rs. 15.89 lakhs (21,190 sq. mts @ Rs. 75/sq. mtr) against the demanded Infrastructure Development and Amenities Charges for construction of building at Unit-3	**31.79**	66.75
6.	The Company has preferred an appeal before Madras High Court challenging the Corporation tax for the period from 1998 to 2024.	**105.60**	105.60
	The Company has paid off the amount during the year.		
7.	The Company has filed Writ Appeal before Madras High Court challenging the TANGEDCO claim of electricity cost on the the under consumption by company than committed quantity consumption (W.A.No. 27999 of 2010).	**69.38**	69.38
8.	The Company has been demanded 50% of deemed demand on GCP purchase units which has been included in EB bill and paid by Company every month. The Company had filed a Writ Petition No. 3382/2016 before Madras High Court and received a favourable order. However, TNEB has filed a Special Leave Petition before the Supreme Court.	**105.40**	69.92
9.	The Company has contested before Supreme Court towards E-tax demand @ 5% on recorded demand.	**176.04**	153.51
10.	The Company has obtained interim stay from Hon'ble Madras High Court towards self generation tax demand on Solar Power energy generated (WP - 29182, 29175, 29178/03.11.2022 & WP - 29751/09.11.2022)	**28.37**	20.14
11.	The Company has preferred an appeal before Supreme Court towards self generation tax @ 10 paise/unit on captive consumption of windmill energy generated.	**135.86**	118.53
12.	The Company has preferred an appeal before before Appellate Tribunal, Coimbatore towards reversal of claim of GST Input Tax Credit for the FY 2015-16.	**7.39**	7.39
	The company has paid Rs. 7.38 lakhs against the same.		
13.	Roof Top Solar Gen Units Net work Charges @ 1.04 TASMA - High Court (Chennai) Order - WP No - 1441 of 2025	**59.77**	6.39
14.	IEX Power Electricity tax details -Electricity tax for Power Adjusted Units @10 paise /unit. High court (chennai) Order WP 29182/03.11.2022	**10.48**	–

B. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for is Rs. **Nil** (31.03.2025 Rs. Nil).

Note 44 : Asset Classified as Held for Sale:

The Company, during the year ended 31.03.2024, has terminated the lease with Kandagiri Spinning Mills Limited. On account of termination of lease with Kandagiri Spinning Mills Limited, assets held at the leased premises have been classified as Assets held for sale as per Ind AS 105 'Non-Current Assets Held for Sale and Discontinued Operations'. The carrying amount of Rs. 310.09 lakhs (31.03.2025 - Rs.310.09 Lakhs) has been disclosed under the head "Assets classified as held for Sale".

The Company has not charged depreciation to an extent of Rs. 71.12 lakhs during the year ended 31.03.2026 on these assets in accordance with Ind AS 105.

Notes annexed to and forming part of the Standalone Ind AS Financial Statements		(Rupees in Lakhs)
Particulars	**Year Ended 31.03.2026**	Year Ended 31.03.2025

Note 45 : Segment Information for the year ended 31.03.2026

The Company is primarily engaged in the business of manufacturing and sale of yarn and related products, which is considered as single business segment based on nature of products, risk, returns and internal reporting business systems. Accordingly, there are no other reportable segments in terms of Ind AS 108 "Operating Segments".

Geographical Segment Information		
India	**24,870.47**	26,244.53
Outside India	**1,495.98**	603.57
	26,366.45	26,848.10

All non-current assets of the Company are located in India

There is no transactions with single external customer which amounts to 10% or more of the Company's revenue.

Note 46 : Related Party Disclosures as required under IND AS - 24:

a) List of Related Parties :

I. Key Management Personnel (KMP):

1. S. Devarajan - Chairman and Managing Director
2. S. Jegarajan - Joint Managing Director
3. S. Dinakaran - Joint Managing Director
4. D. Niranjan Kumar – Director – Marketing
5. J. Sakthivel – Director -Technical
6. P. Boopalan - Chief Financial Officer
7. S. Natarajan - Company Secretary

II. Relatives of Key Management Personnel :

1. S. Devarajan – HUF
2. S. Jegarajan – HUF
3. S. Dinakaran - HUF
4. D. Anupama
5. D. Sudharsan - Non Executive Director
6. S. Kandaswarna
7. D. Manjula
8. D. Minusakthipriya
9. J. Ramya
10. D. Rathipriya
11. V. Valarnila
12. Parameshwari Jegarajan
13. V. Akcchaya

III. Associate Companies

1. SPMM Health Care Services Private Limited - Associate Company

IV. Enterprises in which Key Management Personnel or their relatives have a significant influence:

1. Sambandam Siva Textiles Private Limited
2. S. Palaniandi Mudaliar Charitable Trust
3. Sambandam Spinning Mills Gratuity Trust
4. Sambandam Fabrics Private Limited

Note :

As per sec 149(6) of Companies Act, 2013 Independent Directors are not considered as KMP. Also considering the roles & functions of Independent Director stated under Schedule IV of Companies Act 2013 they have not been considered as KMP for the purpose of disclosure requirement as per Ind AS 24 Related Party.

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

b) Details of Transactions with Related Parties :

Name of Related Party	Nature of Transaction	2025 - 26	2024 - 25
Sambandam Siva Textiles Private Limited	Sale of Wind Power	**120.58**	109.54
	Sale of Milk	**–**	5.15
	Sale of Fibre	**–**	0.15
	Purchase of goods	**–**	21.80
	Purchase of Agricultural product	**5.53**	5.38
	Jobwork done to SSTPL	**0.59**	0.52
	Purchase of food for canteen	**–**	6.21
	Purchase of Polyster Staple Fibre	**6.74**	0.15
	Reeling Charges	**5.64**	–
	Receivable at the end of the year	**93.68**	16.75
S. Palaniandi Mudaliar Charitable Trust	Availing of Hospital services	**32.46**	22.20
	Sale of Milk	**0.09**	9.83
	Receivable / (Payable) at the end of the year	**–**	1.76
Sambandam Fabrics Private Limited	Corporate Guarantee received in favour of CSB Bank towards loans availed by the Company	**2,435.00**	2,435.00
	Rent Paid	**1.20**	1.20
S. Devarajan - Chairman and Managing Director	Interest Payment	**5.17**	14.98
	Remuneration	**120.00**	120.00
	Receipt of unsecured borrowings	**55.00**	92.00
	Unsecured borrowings repaid	**17.00**	120.00
	Balances outstanding -Unsecured Borrowings	**60.00**	22.00
S. Devarajan - HUF	Interest Payment - HUF	**1.16**	0.29
	Receipt of unsecured borrowings	**8.00**	–
	Balances outstanding - Fixed deposits - HUF	**11.00**	3.00
S. Jegarajan - Joint Managing Director	Remuneration	**116.40**	116.40
	Interest Payment	**16.52**	9.22
	Receipt of unsecured borrowings	**139.00**	150.00
	Unsecured borrowings repaid	**122.00**	–
	Balances outstanding - Unsecured Borrowings	**173.00**	156.00
S. Jegarajan - HUF	Interest Payment - HUF	**0.86**	0.10
	Receipt of unsecured borrowings	**7.00**	–
	Balances outstanding - Fixed deposits - HUF	**8.00**	1.00
S. Dinakaran - Joint Managing Director	Remuneration	**74.40**	74.40
	Interest Payment	**44.94**	30.65
	Receipt of unsecured borrowings	**120.00**	450.00
	Unsecured borrowings repaid	**160.00**	–
	Balances outstanding - Unsecured Borrowings	**410.00**	450.00
S. Dinakaran - HUF	Interest Payment - HUF	**0.86**	–
	Receipt of unsecured borrowings	**8.50**	–
	Balances outstanding - Fixed deposits - HUF	**8.50**	–
D. Niranjan Kumar - (Director Marketing)	Remuneration	**48.00**	48.00
	Interest Payment	**8.67**	4.73
	Receipt of unsecured borrowings	**–**	70.00
	Balances outstanding - Unsecured Borrowings	**79.00**	79.00
J. Sakthivel - (Director Technical)	Remuneration	**48.00**	48.00
	Interest Payment	**0.50**	0.45
	Balances outstanding - Unsecured Borrowings	**5.00**	5.00

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Name of Related Party	Nature of Transaction	2025 - 26	2024 - 25
P. Boopalan - Chief Financial Officer	Remuneration	**30.00**	30.00
S. Natarajan - Company Secretary	Remuneration	**16.20**	16.20
D. Anupama	Interest Payment Balances outstanding - Fixed deposits Rent paid Rent advance paid	**1.90** **17.50** **6.00** **3.00**	1.37 12.50 4.95 3.00
S. Kandaswarna	Interest Payment Balances outstanding - Fixed deposits	**0.21** **2.00**	0.18 2.00
D. Manjula	Interest Payment Fixed deposits received Fixed deposits Repaid Balances outstanding - Fixed deposits	**10.83** **13.25** **–** **111.00**	10.03 19.50 25.00 97.75
D. Minusakthipriya	Interest Payment Fixed deposits received Balances outstanding - Fixed deposits	**4.51** **16.00** **47.75**	3.15 4.00 31.75
J. Ramya	Interest Payment Balances outstanding - Fixed deposits	**0.59** **6.00**	0.54 6.00
D. Rathipriya	Interest Payment Balances outstanding - Fixed deposits	**2.80** **25.50**	2.80 25.50
V. Valarnila	Interest Payment Fixed deposits received Balances outstanding - Fixed deposits	**2.96** **–** **28.00**	2.85 3.00 28.00
Parameshwari Jegarajan	Interest Payment Fixed deposits received Balances outstanding - Fixed deposits	**2.12** **20.00** **23.00**	0.28 – 3.00
V. Akcchaya	Interest Payment Fixed deposits received Balances outstanding - Fixed deposits	**0.76** **–** **7.00**	0.39 5.00 7.00
Salem IVF Centre Private Limited	Rent Received Security Deposit - Rent Receivable at the end of the year	**–** **–** **–**	9.00 4.50 0.81

Note : Salem IVF Centre Private Limited has been ceased to Related Party w.e.f 26.06.2024

Details of Remuneration to KMP :

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
Employee Benefits - Remuneration		
Chairman and Managing Director	**120.00**	120.00
Joint Managing Director	**116.40**	116.40
Joint Managing Director	**74.40**	74.40
Director - Marketing	**48.00**	48.00
Director - Technical	**48.00**	48.00
Chief Financial Officer	**30.00**	30.00
Company Secretary	**16.20**	16.20

Notes annexed to and forming part of the Standalone Financial Statements
Note 47 : Details of Non-Current Borrowings / Current Borrowings:

(Rupees in Lakhs)

Particulars	Particulars of Repayment	Year	Non-Current	Current Maturities	Total	Current rate of Interest
I. Secured Borrowings: **a. Term Loans from Banks**						
Karnataka Bank - Covid Loan	23 monthly instalment of Rs. 1.97 lakhs each and 1 monthly instalment of Rs 1.85 lakhs	**As at 31.03.2026** As at 31.03.2025	**23.58** 47.22	**23.64** 23.61	**47.22** 70.83	**9.07%** 9.25%
Canara Bank - Term Loan GM Solar	32 monthly instalment of Rs. 31.50 lakhs each and 1 monthly instalment of Rs. 31.55 lakhs	**As at 31.03.2026** As at 31.03.2025	**661.52** 1,039.52	**378.00** 378.01	**1,039.52** 1,417.53	**11.80%** 9.20%
Canara Bank - GECL 1	Loan Settled during the year	**As at 31.03.2026** As at 31.03.2025	**–** –	**–** 143.33	**–** 143.33	**8.90%** 9.25%
Canara Bank - GECL 2	24 monthly instalment of Rs. 6.82 lakhs each	**As at 31.03.2026** As at 31.03.2025	**81.80** 163.56	**81.75** 81.78	**163.55** 245.34	**8.60%** 9.25%
Canara Bank Term Loan	Term Loan of Rs. 1235 Lakhs sanctioned and availed Rs. 491.51 Lakhs during the year with tenor of 48 monthly instalments which commences from April 2027	**As at 31.03.2026** As at 31.03.2025	**491.51** –	**–** –	**491.51** –	**8.50%** –
CSB Term Loan 3	29 monthly instalment of Rs. 2.45 lakhs each	**As at 31.03.2026** As at 31.03.2025	**41.51** 68.45	**29.40** 29.34	**70.91** 97.79	**10.31%** 10.30%
CSB Term Loan 4	29 monthly instalment of Rs. 9.43 lakhs each and 1 monthly instalment of Rs. 7.15 lakhs	**As at 31.03.2026** As at 31.03.2025	**167.49** 266.51	**113.16** 113.17	**280.65** 379.68	**10.41%** 10.30%
CSB WCTL	32 monthly instalment of Rs. 9.29 lakhs each and 1 monthly instalment of Rs. 0.08 lakhs	**As at 31.03.2026** As at 31.03.2025	**185.85** 297.33	**111.48** 111.50	**297.33** 408.83	**9.25%** 9.25%
HDFC Bank Covid Loan	Loan Settled during the year	**As at 31.03.2026** As at 31.03.2025	**–** –	**–** 44.23	**–** 44.23	**–** 9.25%
HDFC Bank - Solar TL	16 monthly instalment of Rs. 24.99 lakhs each	**As at 31.03.2026** As at 31.03.2025	**99.95** 399.82	**299.88** 299.87	**399.83** 699.69	**9.24%** 9.55%
HDFC Bank - GECL	34 monthly instalment of Rs. 2.02 lakhs each and 1 monthly instalment of Rs. 0.04 lakhs	**As at 31.03.2026** As at 31.03.2025	**44.47** 68.71	**24.24** 24.25	**68.71** 92.96	**9.00%** 9.00%
HDFC Bank Car Loan	Loan settled during the year	**As at 31.03.2026** As at 31.03.2025	**–** –	**–** 0.97	**–** 0.97	**–** 8.70%

Notes annexed to and forming part of the Standalone Financial Statements **(Rupees in Lakhs)**

Particulars	Particulars of Repayment	Year	Non-Current	Current Maturities	Total	Current rate of Interest
ICICI Bank Working Capital Term Loan	Working Capital Term Loan of Rs.900 Lakhs availed during the year with the tenor of 120 Monthly Instalments 118 Monthly Instalments of Rs. 7.50 Lakhs each	**As at 31.03.2026** As at 31.03.2025	**795.00** –	**90.00** –	**885.00** –	**8.50%** –
ICICI Bank Car Loan	Monthly Instalments - 2026-27 - Rs. 7.35 lakhs 2027-28 - Rs. 5.52 lakhs 2028-29 - Rs. 2.45 lakhs	**As at 31.03.2026** As at 31.03.2025	**7.97** 15.32	**7.35** 7.63	**15.32** 22.95	8.50%
ICICI Bank Car Loan	Monthly Instalments - 2026-27 - Rs. 3.23 lakhs 2027-28 - Rs. 2.42 lakhs 2028-29 - Rs. 1.08 lakhs	**As at 31.03.2026** As at 31.03.2025	**3.50** 6.73	**3.23** 3.34	**6.73** 10.07	8.50%
South India Bank Covid Loan 1	Loan settled during the year	**As at 31.03.2026** As at 31.03.2025	**–** –	**–** 17.77	**–** 17.77	9.25%
South India Bank Covid Loan 2	23 monthly instalment of Rs. 1.27 lakhs each and 1 monthly instalment of Rs. 1.31 lakhs	**As at 31.03.2026** As at 31.03.2025	**15.10** 30.36	**15.24** 15.25	**30.34** 45.62	9.25%
South India Bank Term Loan	4 monthly instalment of Rs. 8.33 lakhs each and 1 monthly instalment of Rs. 3.31 lakhs	**As at 31.03.2026** As at 31.03.2025	**–** 35.39	**34.72** 100.00	**34.72** 135.39	**–** 9.50%
Sub-Total		**As at 31.03.2026** As at 31.03.2025	**2,619.25** 2,438.92	**1,212.09** 1,394.05	**3,831.34** 3,832.97	**–** –

II. Unsecured Borrowings Fixed Deposits - Members	Repayable on - 2025-26 - Rs. 146.60 lakhs 2026-27 - Rs. 251.25 lakhs	**As at 31.03.2026** As at 31.03.2025	**871.36** 709.91	**218.65** 247.90	**1,090.01** 957.81	**10 to 11%** 10 to 11%
From Directors	Repayable on - 2025-26 - Rs. 17.00 lakhs 2026-27 - Rs. 59.00 lakhs	**As at 31.03.2026** As at 31.03.2025	**467.00** 702.00	**3.00** 15.00	**470.00** 717.00	**10 to 11%** 10 to 11%
Interest free Unsecured Loan From Directors		**As at 31.03.2026** As at 31.03.2025	**262.00** –	**–** –	**262.00** –	**10 to 11%** –
Sub-Total		**As at 31.03.2026** As at 31.03.2025	**1,600.36** 1,411.91	**221.65** 262.90	**1,822.01** 1,674.81	**–** –

Notes annexed to and forming part of the Standalone Financial Statements **(Rupees in Lakhs)**

Notes :
1. Term loans aggregating to Rs. 3809.29 lakhs (31.03.2025 : Rs. 3798.98 lakhs,) are secured by a first charge on paripassu basis on all Property, Plant and Equipment and second charge on paripassu basis on all current assets.
2. Term loans from banks aggregating to Rs 22.05 lakhs (31.03.2025 Rs 33.99 lakhs) are secured by hypothecation of certain cars.
3. All the above loans are guaranteed by four directors.
4. CSB Bank, TL 1 to TL 4 loans are secured by extending Corporate Guarantee received from Kandagiri Spinning Mills Limited and Sambandam Fabrics Private Limited (Related party) and also additionally secured with the equitable mortgage of land pertaining to Kandagiri Spinning Mills Limited and Land pertaining to Sambandam Fabrics Private Limited.

Details of Current Borrowings

Particulars	Particulars of Repayment	Year	Non-Current	Current Maturities	Total	Current rate of Interest
I. Secured Borrowings :						
a. Cash Credit Facilities						
Karnataka Bank	On Demand	**As at 31.03.2026**	**–**	**824.78**	**824.78**	
		As at 31.03.2025	–	804.55	804.55	10.05%
HDFC Bank	On Demand	**As at 31.03.2026**	**–**	**987.32**	**987.32**	
		As at 31.03.2025	–	972.02	972.02	9.25%
Canara Bank	On Demand	**As at 31.03.2026**	**–**	**2,844.75**	**2,844.75**	
		As at 31.03.2025	–	2,737.05	2,737.05	9.20%
South India Bank	On Demand	**As at 31.03.2026**	**–**	**509.66**	**509.66**	**–**
		As at 31.03.2025	–	518.79	518.79	9.20%
b. Overdraft against Fixed Deposit						
ICICI Bank	Overdraft against Fixed Deposit	**As at 31.03.2026**	**–**	**44.13**	**44.13**	
		As at 31.03.2025	–	–	–	–
c. Export Packing Credit						
Canara Bank		**As at 31.03.2026**	**–**	**–**	**–**	
	Export Packing Credit	As at 31.03.2025	–	83.04	83.04	6.04%
Sub-Total		**As at 31.03.2026**	**–**	**5,210.64**	**5,210.64**	**–**
		As at 31.03.2025	–	5,115.45	5,115.45	–

Notes :
1. Cash Credit Facilities are secured by a first charge on the Company's current assets and by a second charge on the Company's Property, Plant and Equipment excluding the charges.
2. All the above loans are guaranteed by four directors.

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

	Particulars	As at 31.03.2026	As at 31.03.2025
Note 48 : Leases			

The Lease arrangements subsisting as on that date and eligible for recognition as Right to Use assets under Ind AS 116 are disclosed in Note No 2 to the standalone financial statements. All other lease arrangements as on that date were either Low value asset or short term leases and are recognised as an expenses in the Statement of Profit and Loss.

The following are the disclosures in terms of Ind AS 116:

	Particulars	As at 31.03.2026	As at 31.03.2025
A.	**Right of Use Asstes**		
	Opening Balance	**26.52**	31.17
	Additions during the year	**4.62**	3.72
	Deletions during the year	**–**	–
	Depreciation during the year	**10.98**	8.37
	Withdrawn	**–**	–
	Closing Balance	**20.16**	26.52
B.	**Movement in Long term lease liabilities during the year**		
	Opening Balance	**29.47**	33.39
	Additions during the year	**4.62**	3.72
	Finance Cost accrued during the year	**2.72**	3.35
	Payment of lease liabilities	**13.98**	10.98
	Lease liability reversed	**–**	–
	Closing Balance	**22.83**	29.47
C.	**Following is the breakup of Current and Non-Current Lease liabilities**		
	Lease liablities - Non Current	**10.87**	20.10
	Lease liablities - Current	**11.96**	9.37
		22.83	29.47
D.	**Contractual maturities of lease liabilities on an undiscounted basis:**		
	Maturity analysis of future lease payments :		
	Not later than 1 year	**13.59**	12.04
	Later than 1 year but not later than 5 years	**14.49**	22.26
	Later than 5 years	**–**	–
		28.08	34.30
E.	**Other disclosures as per Ind AS 116:**		
a.	Carrying value of Right of Use of (ROU) asset (Note 2)	**20.16**	26.52
b.	Depreciation charge for ROU asset (Note 34)	**10.98**	8.37
c.	Interest Expense on Lease liability (Note 33)	**2.72**	3.35
d.	Total Cash flow during the year for leases (Cash flow statement)	**13.98**	10.98
e.	Additions to ROU (Other than upon transition) (Note 2)	**4.62**	3.72
f.	Lease Liabilities classified as Current Lease Liabilities (Note 23)	**11.96**	9.37
g.	Lease Liabilities outstanding (Non-Current) (Note 18)	**10.87**	20.10

Expenses relating to leases of low value assets and variable lease payments not included in the measurement of lease liabilities of Rs. 0.05 lakhs (2024-25 : Rs. 0.66 lakhs) are shown under other expenses

Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease arrangements do not impose any convenants excepts that the Company cannot provide the leased as security for its borrowings, etc., nor can it be subleased without the permission of the lessor.

The lease payments are discounted using the Company's incremental borrowing rate, the rate that the Company would have to pay to borrow funds necessary to obtain as asset of similar value to ROU asset in similar economic environment with similar terms, security and conditions.

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	As at 31.03.2026	As at 31.03.2025
Note 49 : Revenue from Contract with Customers (Ind AS 115)		
I. Disaggregated revenue information		
Type of goods and service		
Sale of products		
Yarn	**25,394.03**	25,839.86
Fabric sales	**–**	8.65
Process waste	**776.91**	861.78
Other Operating revenues	**195.51**	137.81
Total Revenue from Contract with Customers	**26,366.45**	26,848.10
India	**24,870.47**	26,244.53
Outside India	**1,495.98**	603.57
Total Revenue from Contract with Customers	**26,366.45**	26,848.10

Timing of Revenue Recognition

Particulars	31.03.2026		31.03.2025	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Sale of products and Other Operating revenues	**26,366.45**	–	26,848.10	–
Less : Rebates and Discounts	**–**	–	–	–
Total revenue from contract with customers	**26,366.45**	–	26,848.10	–

II. Contract balance

Particulars	31.03.2026	31.03.2025
Trade receivables	**1,815.25**	2,160.95
Contract Assets / Liabilities	**–**	–

Trade receivables are non-interest bearing and are generally on approval terms

III. Reconciliation of Revenue recognised in the Statement of Profit and Loss with the Contracted price:

Particulars	31.03.2026	31.03.2025
Revenue as per contracted price	**26,366.45**	26,848.10
Adjustments:-		
Rebates and discounts	**–**	–
Revenue from Contract with Customers	**26,366.45**	26,848.10

Note 50 : Disclosure as required under section 186(4) of the Companies Act, 2013:

The Company has not made any fresh investments, given loans or advances or provided secuirty or guarantee during the current year. The carrying value of investments made in earlier years by the Company as at 31.03.2026 is Rs. 202.27 lakhs (31.03.2025 Rs. 201.57 lakhs)

Note 51 : Details of Corporate Guarantee:

(a) M/s. Sambandam Fabrics Private Limited has given Corporate guarantee of Rs. 2435 lakhs to CSB bank for the loan availed by the Company and also extended its immovable properties as collateral security for the above loan.

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	As at 31.03.2026	As at 31.03.2025

Note 52 :

During the financial year 2017-18, the Company's management has identified embezzlement of funds by an employee of the Company whose services have been terminated. The above has also been intimated to BSE Limited an necessary disclosures made under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 vide letter dated November 21, 2017.

The Company, on considering the recovery procedures and status of the case has made 100% Provision against the Total Receivable. (Refer Note. 7)

Note 53 : Net Debt Reconciliation

Cash and Cash Equivalents	**18.06**	4.65
Current Borrowings (including current maturities of Non Current Borrowings)	**(7,377.58)**	(7,316.84)
Non Current Borrowings	**(6,498.14)**	(4,583.56)
Net Debt	**(13,857.66)**	(11,895.75)

Particulars	Other Assets	Liabilities from financing activities		Total
	Cash and Cash Equivalents	Non current borrowings	Current Borrowings	
Net Debt as at March 31, 2025				(11,895.75)
Cash Flows	13.41	(1,914.58)	(60.74)	(1,961.91)
Net Debt as at March 31, 2026	**13.41**	**(1,914.58)**	**(60.74)**	**(13,857.66)**

Note 54 : Financial Instruments

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. Capital includes paid up Equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company. Debt refers to Long Term Borrowings, Short Term Borrowings and interest accrued thereon for the purpose of Capital Management of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product, other strategic investment plans. The funding requirements are met through equity, non-convertible debt securities, and other long-term/short-term borrowings.

The capital structure of the Company consists of net debt (Borrowings as detailed in Notes 17 and 22 offset by cash and cash equivalents) and total equity of the Company. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

A) Financial Instruments by Categories

Gearing Ratio :

Debt	**13,875.72**	11,900.40
Less: Cash and Cash Equivalents	**18.06**	4.65
Net Debt	**13,857.66**	11,895.75
Total Equity	**8,014.85**	8,579.07
Net Debt to Total Equity ratio	**1.73**	1.39

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	As at 31.03.2026	As at 31.03.2025
Categories of Financial Instruments:		
I. Financial Assets		
a. Measured at Amortised cost:		
Trade Receivables	**1,815.25**	2,160.95
Cash and Cash Equivalents	**18.06**	4.65
Other Bank Balances	**205.96**	196.01
Investments in Associates	**199.00**	199.00
Other Financial Assets	**677.76**	502.39
Total	**2,916.03**	3,063.00
b. Mandatorily measured at FVTPL:		
Investments other than Associates	**3.27**	2.57
Total	**3.27**	2.57
II. Financial Liabilities		
a. Measured at Amortised cost:		
Borrowings	**13,875.72**	11,900.40
Lease Liabilities (Ind AS 116)	**22.83**	29.47
Trade Payables	**2,409.17**	2,398.31
Other Financial Liabilities	**970.83**	1,560.66
Total	**17,278.55**	15,888.84

B) Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's Financial Assets and Financial Liabilities:

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/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)

As at March 31, 2026

Particulars	Fair Value as on 31.03.2026	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Financial Assets measured at FVTPL Investments in other than Associates	3.27	3.27	–	–

As at March 31, 2025

Particulars	Fair Value as on 31.03.2025	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Financial Assets measured at FVTPL Investments in other than Associates	2.57	2.57	–	–

Financial Risk Management Objectives

The treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including interest rate risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	As at 31.03.2026	As at 31.03.2025

Market risk

Market risk is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realisable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at floating interest rates.

Interest rate sensitivity analysis:

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2026 would decrease/increase by Rs. 22.55 Lakhs (March 31, 2025: decrease /increase by Rs. 22.29 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

C. Equity price risk

Equity price risk is related to the change in market reference price of the investments in equity securities. The fair value of some of the Company's investments in available-for-sale securities exposes the Company to equity price risks. In general, these securities are not held for trading purposes. The details of such investments in equity instruments are given in Note No. 5.

Equity price sensitivity analysis

The fair value of equity instruments as at March 31, 2026 was Rs. 202.09 Lakhs (March 31, 2025: Rs. 202.09 Lakhs). A 5% change in prices of equity instruments held as at March 31, 2025 would result in an impact of Rs. 0.16 Lakhs on equity (March 31, 2025 : Rs. 0.13 Lakhs).

Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rate. The Company's exposure to the risk of changes in foreign exchange rate relates primarily to the Company's foreign currency denominated financial assets and financial liabilities.

The Company does not have foreign currency exposure at the end of the reporting period.

Liquidity risk management:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables :

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of Financial Liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
31.03.2026				
Trade Payables	2,409.17	–	–	2,409.17
Other Financial Liabilities	965.60	5.23	–	970.83
Lease Liabilities (Ind AS 116)	11.96	10.87	–	22.83
Borrowings	7,377.58	6,498.14	–	13,875.72
	10,764.31	**6,514.24**	**–**	**17,278.55**

Notes annexed to and forming part of the Standalone Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
31.03.2025				
Trade Payables	2,398.31	–	–	2,398.31
Other Financial Liabilities	1,555.43	5.23	–	1,560.66
Lease Liabilities (Ind AS 116)	9.37	20.10	–	29.47
Borrowings	7,316.84	4,583.56	–	11,900.40
	11,279.95	**4,608.89**	**–**	**15,888.84**

Note 55 : Additional Regulatory Information:

i) Title Deeds not held in the name of the Company:
The title deeds of all Immovable Properties are held in the name of the Company.

ii) Fair value of Investment Property:
The Company does not have any investment property as on the reporting date.

iii) Revaluation of Property, Plant and Equipment:
The Company has not revalued any of its Property, Plant and Equipment during the year.

iv) Revaluation of Intangible Assets:
The Company has not revalued any of its intangible assets during the year.

v) Loans and advances granted to Promoters, Directors, KMP's and Related parties:

The Company has not granted any loans to promoters, directors, KMPs and the related parties as defined under Companies Act, 2013 either jointly or severally with any other person that are repayable on demand or without specifying any terms or period of repayment.

vi) Capital Work-in-Progress:
The ageing schedule of Capital Work-in-Progress has been disclosed in the Note No. 1 to the Financial Statements.

vii) Intangible Assets under Development: Disclosed in Note 1 to the Financial Statements

viii) Details of Benami Property:
The Company does not have any Benami property, where any proceedings initiated or pending against the Company for holding any Benami property.

ix) Reconciliation of Statement of Current Assets filed by the Company with Banks for Working capital facilities availed by the Company:

The Company has availed working capital facilities in excess of Rs. 5 crores in aggregate during the years. The quarterly stock statements filed by the Company are in agreement with the books of account of the Company.

x) Wilful Defaulter:

The Company has not been declared as willful defaulter by any Bank or Financial Institution (as defined under the Companies Act, 2013) or consortium thereof or other Lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

xi) Relationship with Struck off Companies:

The Company does not have any transaction with Companies struck off under section 248 of the companies Act, 2013 or section 560 of the Companies Act, 1956

xii) Registration/Satisfaction of Charges with Registrar of Companies:

The Company does not have any charges yet to be registered or file the satisfaction of charges with the Registrar of Companies beyond the statutory period

xiii) Layers of Companies:

The Company does not have any subsidiary Company as on the balance sheet date. However, the Company has associate companies which is in compliance with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

Notes annexed to and forming part of the Standalone Ind AS Financial Statements

xiv) Key Financial Ratios:

S.No.	Particulars	2025-26	2024-25	Change(%)	Reasons
(a)	Current Ratio (in times) [Current Assets / Current Liabilities]	**1.20**	1.05	14.29%	
(b)	Debt-Equity Ratio (in times) [Long term Borrowings + Short Term Borrowings + interest accrued thereon / Shareholder's Equity]	**1.73**	1.39	24.46%	
(c)	Debt Service Coverage Ratio (in times) [Earnings available for Debt service (net profit after tax + Depreciation + Interest and other non cash adjustment / Interest and lease payments + installments]	**0.62**	0.49	26.53%	Due to increase in earnings and reduction on payment of debts
(d)	Return on Equity Ratio (in %) [Net Profit after Taxes / Average Shareholder's Equity]	**(6.92)%**	(8.40)%	17.62%	
(e)	Inventory Turnover Ratio (in times) [Revenue from Operations / Average Inventory]	**3.27**	3.54	(7.63)%	
(f)	Trade Receivables Turnover Ratio (in times) [Revenue from Operations / Average Trade Receivables]	**13.26**	10.55	25.69%	Due to improved collection
(g)	Trade Payables Turnover Ratio (in times) [Total Purchases / Average Trade Payables]	**7.70**	8.14	(5.41)%	
(h)	Net Capital Turnover Ratio (in times) [Revenue from Operations / Working Capital]	**12.00**	44.78	(73.19%)	Due to improvement in working capital management
(i)	Net Profit Ratio (in %) [Net Profit After Taxes / Revenue from Operations]	**(2.18)%**	(2.77)%	21.30%	
(j)	Return on Capital Employes (in %) [Earnings before Interest and Taxes (EBIT) / Capital Employed]	**1.83%**	0.63%	190.48%	Due to Decrease in loss during the year.
(k)	Return on Investment (in %) [Earnings before Interest, Depreciation and Taxes (EBIDTA) / Investment (Total Assets)]	**4.95%**	4.25%	16.47%	

Notes annexed to and forming part of the Standalone Ind AS Financial Statements

(xvi) Approved Scheme of Arrangements:
During the year, there is no approved scheme of arrangements.

(xvii) Utilisation of Borrowed funds and Share premium:

The Company has not advanced or loaned or invested funds to any other persons or entities including foreign entities (intermediaries) with the understanding that the intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate Beneficiaries) or (b) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from other persons or entities including foreign entities (intermediaries) with the understanding that the intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate Beneficiaries) or (b) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries.

Note 56 :

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date attached
For P.N. Raghavendra Rao & Co
Chartered Accountants
Firm Registration No. : 003328S

Pon Arul Paraneedharan
Partner
Membership No : 212860

Salem
May 23, 2026

For and on behalf of the board

S. Devarajan
Chairman and Managing Director
DIN : 00001910

S. Dinakaran
Joint Managing Director
DIN : 00001932

S. Natarajan
Company Secretary

P. Boopalan
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To The Members of
Sambandam Spinning Mills Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated financial statements of **Sambandam Spinning Mills Limited** ("the Company") and its associate company namely **SPMM Healthcare Services Private Limited** which comprise the Consolidated Balance Sheet as at 31st March 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended on that date and notes to the Consolidated financial statements, including a summary of material accounting policies and other explanatory information(hereinafter referred to as "the Consolidated financial statements).

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the separate financial statements of the associate, as were audited by the other auditors, the aforesaid Consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate as at 31st March 2026, the consolidated loss including other comprehensive income, the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

3. 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 Consolidated Financial Statements section of our report. We are independent of the Company and its associate 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 Consolidated 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated financial statements.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

   We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matters	Auditor's Response
Revenue Recognition (Refer to the accompanying Note 2(c) of Material Accounting Policies and Note 28 of accompanying Notes to the Consolidated financial statements) The Company's revenue is mainly derived from sale of products viz. yarn and yarn related products. Revenue from sale of products is recognized when the performance obligations are satisfied and the control of the products is being transferred to debtors as per the terms of contract agreed. Revenue is recognized when collectability of the resulting receivable is reasonably assured. We have identified Revenue recognition as a key audit matter as revenue recognition is a key performance indicator of the Company given the inherent area of audit risk,	**Principal Audit Procedures** In the view of the significance of the matter, our audit procedures mainly comprised of test of controls and substantive procedures including the following: a. We assessed the appropriateness of whether the accounting policy for revenue recognition was in line with relevant Ind AS – 115 "Revenue from Contracts with Customers". b. We performed procedures to assess the design and implementation of internal controls established by the management and tested the operating effectiveness of relevant controls relating to revenue recognition. c. We have performed testing with the sample of revenue transaction to ensure whether specific revenue transactions before and after the reporting date have been recognized in the appropriate period by comparing the transactions selected with relevant underlying documents including goods delivery notes, shipping documents, customer acknowledgement/proof of acceptance and the other terms of sales. d. We have also tested the journal entries affecting revenue recognition on a sample basis to identify any unusual or irregular items and validated subsequent credit notes and sales returns up to the date of this report to ensure the appropriateness and accuracy of the recognition of revenue. e. Based on the above procedures, no material exception on the revenue recognition has been observed.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.
6. The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Based on the work we have performed on other information, if we conclude that there is a material misstatement, if any, of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company and its associate in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective Board of Directors of the Company and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and its associate 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements.

9. In preparing the Consolidated financial statements, the Board of Directors is responsible for assessing the Company and its associate'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 the respective Board of Directors either intends to liquidate the Company or its associate or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the Company and its associate are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated financial statements.

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

    (a) Identify and assess the risks of material misstatement of the Consolidated 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.

    (b) Obtain an understanding of internal controls 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 and its associate has adequate internal financial controls system in place and the operating effectiveness of such controls.

    (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    (d) Conclude on the appropriateness of management'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 ability of the Company and its associate 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 Consolidated 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 and its associate to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial statements of the Company and its associate to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entity included in the Consolidated financial statements of which we are the independent auditors. For the other entities included in Consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the “Other Matters” section of our report.

13. We communicate with those charged with governance of the Company 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.

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. The Consolidated financial statements include the share of net profit after tax of Rs. 7.60 lakhs and Rs. 8.58 lakhs for the year ended 31st March 2026 and year ended 31st March 2025 respectively, as considered in the Consolidated financial statements in respect of its associate whose financial statement have not been audited by us. These financial statements have been audited by other auditor whose reports have been furnished to us and our opinion on the Consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of these associate is based solely on the reports of the other auditor.

Our opinion on the Consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

17. As required by the Companies (Auditor's Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the **“Annexure - A”** a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

18. As required by Section143(3) of the Act, based on our audit and on the consideration of report of the other auditor on the separate financial statements of the associate as were audited by the other auditors, we report, to the extent applicable, 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 of the aforesaid Consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended.

(e) On the basis of the written representations received from the directors of the Company as on 31st March 2026 taken on record by the Board of Directors of the Company and reports of the statutory auditor of the associate company, none of the directors of the Company and its associate company is disqualified as on 31st March 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 over financial reporting of the Company with reference to these Consolidated financial statements of the Company and its associate and the operating effectiveness of such controls, refer to our separate Report in **"Annexure - B"** to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and 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.

According to the information and explanations given to us, and based on the reports issued by other auditor of the associate company, no remuneration has been paid to its directors by the associate companies during the year.

(h) 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, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company and its associate have disclosed the impact of pending litigations on its consolidated financial statements – Note 43 to the Consolidated financial statements.

(ii) The Company and its associate did not have any long-term contracts including derivative contracts for which there were any 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. Further, there were no amounts which were required to be transferred to the said Fund by its associate.

(iv) a) The management has represented that, to the best of its knowledge and belief, no funds 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 or its associate 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 whether 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 its associate 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, no funds have been received by the Company or its associate from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its associate shall whether 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; and

c) Based on such 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 subclause (i) and (ii) of Rule 11 contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year.

According to the information and explanations given to us, and based on the reports issued by other auditors of the associate company, no dividend has been declared or paid during the year by the associate company.

(vi) (i) Based on our examination which included test checks, the company and its associate has used accounting software for maintaining its books of accounts which has 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.

(ii) Further during the course of our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For P N Raghavendra Rao & Co
Chartered Accountants
Firm Registration Number : 003328S

Pon Arul Paraneedharan
Partner
Membership Number : 212860
UDIN : 26212860PZRCWE9479

Salem
23rd May 2026

"Annexure - A" to the Independent Auditor's Report

Referred to in paragraph 17 of the Independent Auditor's Report of even date to the members of **Sambandam Spinning Mills Limited** on the Consolidated financial statements for the year ended 31st March 2026

According to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of associate company included in the Consolidated financial statements to which reporting under CARO is applicable, as provided to us, we report that there are no qualifications or adverse remarks by the auditor in the CARO report of the said company included in the Consolidated financial statements.

For P N Raghavendra Rao & Co
Chartered Accountants
Firm Registration Number : 003328S

Pon Arul Paraneedharan
Partner
Membership Number : 212860
UDIN : 26212860PZRCWE9479

Salem
23rd May 2026

"Annexure - B" to the Independent Auditor's Report

Referred to in paragraph 18(f) of the Independent Auditor's Report of even date to the members of **Sambandam Spinning Mills Limited** on the Consolidated financial statements for the year ended 31st March 2026

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

1. We have audited the internal financial controls over financial reporting of Sambandam Spinning Mills Limited ("the Company") and its associate namely SPMM Healthcare Services Private Limited as of 31stMarch 2026 in conjunction with our audit of the Consolidated financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Company and its associate are 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Act.

Auditor's Responsibility

3. 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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.

4. 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.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Company and its associate's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company and its associate'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:

   a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company and its associate;

   b) 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 and its associate are being made only in accordance with authorization of management and directors of the company; and

   c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company and its associate's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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.

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Company and its associate have, 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 31st March 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 ICAI.

Other Matters

9. Our report under section143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated financial statements of the Company, in so far as it relates to associate is based on the corresponding report of the auditor of such associate.

For P N Raghavendra Rao & Co
Chartered Accountants
Firm Registration Number : 003328S

Pon Arul Paraneedharan
Partner
Membership Number : 212860
UDIN : 26212860PZRCWE9479

Salem
23rd May 2026

Consolidated Balance Sheet as at 31.03.2026

(Rupees in Lakhs)

Particulars	Note No.	As at 31.03.2026	As at 31.03.2025
I. ASSETS			
1. Non-Current Assets			
a) Property, Plant and Equipment	1	**11,477.21**	11,964.53
b) Capital Work in Progress	1	**288.24**	161.12
c) Right-of-use Assets	2	**20.16**	26.52
d) Intangible Assets	3	**0.04**	0.04
e) Intangible Assets Under Development	1	**71.91**	–
f) Biological Assets other than Bearer plants	4	**198.21**	144.85
g) Financial Assets			
i) Investments	5	**226.24**	217.94
ii) Other Financial Assets	6	**415.13**	322.26
h) Other Non-Current Assets	7	**53.05**	123.10
Total Non-Current Assets		**12,750.19**	12,960.36
2. Current Assets			
a) Inventories	8	**8,472.73**	7,662.23
b) Financial Assets			
i) Trade Receivables	9	**1,815.25**	2,160.95
ii) Cash and Cash Equivalents	10A	**18.06**	4.65
iii) Bank Balances other than Cash and Cash Equivalents	10B	**205.96**	196.01
iv) Other Financial Assets	11	**262.63**	180.13
c) Current Tax Assets (Net)	12	**29.02**	25.42
d) Other Current Assets	13	**2,167.69**	1,817.71
e) Assets Classified as Held for Sale	14	**310.09**	310.09
Total Current Assets		**13,281.43**	12,357.19
TOTAL ASSETS		**26,031.62**	25,317.55
II. EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	15	**427.55**	427.55
b) Other Equity	16	**7,611.27**	8,167.89
Total Equity		**8,038.82**	8,595.44
LIABILITIES			
1. Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	17	**6,498.14**	4,583.56
ii) Lease Liabilities	18	**10.87**	20.10
iii) Other Financial Liabilites	19	**5.23**	5.23
b) Provisions	20	**339.99**	133.04
c) Deferred Tax Liabilities (Net)	21	**53.63**	222.54
Total Non-Current Liabilities		**6,907.86**	4,964.47

Consolidated Balance Sheet as at 31.03.2026 **(Rupees in Lakhs)**

Particulars	Note No.	As at 31.03.2026	As at 31.03.2025
2. Current Liabilities			
a) Financial Liabilities			
i) Borrowings	22	**7,377.58**	7,316.84
ii) Lease Liabilities	23	**11.96**	9.37
iii) Trade payables			
- Outstanding dues of Micro and Small Enterprises	24	**736.33**	226.12
- Outstanding dues of other than Micro and Small Enterprises	24	**1,672.84**	2,172.19
iv) Other Financial Liabilities	25	**965.60**	1,555.43
b) Other Current Liabilities	26	**136.16**	169.40
c) Provisions	27	**184.47**	308.29
Total Current Liabilities		**11,084.94**	11,757.64
TOTAL EQUITY AND LIABILITIES		**26,031.62**	25,317.55

Material Accounting Policies and Notes to accounts form an integral part of the Consolidated Financial Statements

As per our report of even date attached
For P.N. Raghavendra Rao & Co
Chartered Accountants
Firm Registration No. : 003328S

Pon Arul Paraneedharan
Partner
Membership No : 212860

Salem
May 23, 2026

For and on behalf of the board

S. Devarajan
Chairman and Managing Director
DIN : 00001910

S. Dinakaran
Joint Managing Director
DIN : 00001932

S. Natarajan
Company Secretary

P. Boopalan
Chief Financial Officer

Consolidated Statement of Profit and Loss for the Year ended 31.03.2026

(Rupees in Lakhs)

	Particulars	Note No.	Year ended 31.03.2026	Year ended 31.03.2025
	INCOME			
I	Revenue from Operations	28	**26,366.45**	26,848.10
II	Other Income	29	**134.53**	106.62
III	**Total Income (I+II)**		**26,500.98**	26,954.72
IV	**EXPENSES**			
	Cost of Materials Consumed	30	**17,080.42**	18,242.94
	Changes in Inventories of Finished Goods and Work-in-Progress	31	**676.57**	(101.60)
	Employee Benefits Expense	32	**3,387.59**	3,513.93
	Finance Costs	33	**1,146.87**	1,145.94
	Depreciation and Amortisation Expense	34,1,2,3	**887.22**	945.18
	Other Expenses	35	**4,068.93**	4,265.45
	Total Expenses		**27,247.60**	28,011.84
V	**Profit/(Loss) before Exceptional Item and Tax (III-IV)**		**(746.62)**	(1,057.12)
VI	Share of profit of associates		**7.60**	8.58
VII	**Profit/(Loss) before Exceptional Item and Tax (V+VI)**		**(739.02)**	(1,048.54)
VIII	Exceptional Items		**–**	40.07
IX	**Profit/(Loss) Before Tax (V+VI)**		**(739.02)**	(1,008.47)
X	**Tax Expense:**			
	Current Tax Expenses		**–**	–
	Deferred Tax Expenses / (Income)		**(172.42)**	(273.74)
XI	**Profit/(Loss) for the Period from continuing operations (IX-X)**		**(566.60)**	(734.73)
XII	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of Defined benefits plan		**13.49**	260.91
	Income tax relating to above		**3.51**	67.84
	Other Comprehensive Income for the Period		**9.98**	193.07
XIII	**Total Comprehensive Income for the Period (IX+X)**		**(556.62)**	(541.66)
XIV	**Earnings per Equity Share of Rs.10/- each:**			
	For Continuing Operations:			
	Basic and Diluted (in Rupees)		**(13.29)**	(17.23)

Material Accounting Policies and Notes to accounts form an integral part of the Consolidated Financial Statements

As per our report of even date attached
For P.N. Raghavendra Rao & Co
Chartered Accountants
Firm Registration No. : 003328S

Pon Arul Paraneedharan
Partner
Membership No : 212860

Salem
May 23, 2026

For and on behalf of the board

S. Devarajan
Chairman and Managing Director
DIN : 00001910

S. Dinakaran
Joint Managing Director
DIN : 00001932

S. Natarajan
Company Secretary

P. Boopalan
Chief Financial Officer

Consolidated Statement of Cash Flows for the Year ended 31.03.2026 **(Rupees in Lakhs)**

Particulars	Year ended 31.03.2026		Year ended 31.03.2025	
A. Cash Flow from Operating Activities				
Profit / (Loss) before tax		**(739.02)**		(1,008.47)
Adjustments for -				
Share of profit of associates	**(7.60)**		(8.58)	
Depreciation & Amortisation Expense	**887.22**		945.18	
Finance Costs	**1,141.60**		1,142.16	
Provision for ECL and impairment	**100.00**		97.11	
Sundry Balances written off	**3.54**		–	
Interest Income	**(35.56)**		(32.84)	
Foreign Exchange Fluctuation	**(24.69)**		(4.61)	
Dividend Income	**(0.07)**		(0.08)	
Profit on sale of Investment in associate	**–**		(40.07)	
Net Gain or Loss arising on Fair Value of Financial Asset	**(0.70)**		0.73	
Fair Value change in Biological Assets	**(53.36)**		(21.25)	
(Profit)/Loss on sale of Property, Plant and Equipment	**14.46**		17.79	
		2,024.84		2,095.54
Operating Profit/ (Loss) before Working Capital Changes		**1,285.82**		1,087.07
Adjustments/Changes in Working Capital				
Inventories	**(810.50)**		(142.67)	
Trade Receivables	**366.85**		773.64	
Non Current and Current Financial Assets	**(285.32)**		(97.74)	
Other Non Current and Current Assets	**(279.93)**		68.71	
Trade Payables	**1,556.66**		308.26	
Non Current and Current Financial Liabilities	**(597.78)**		(303.39)	
Other Non Current and Current Liabilities	**(33.24)**		(114.37)	
Other Non Current and Current provisions	**96.62**		98.07	
		13.36		590.51
Cash Generated from/(used in) Operations		**1,299.18**		1,677.58
Less: Income Tax Paid / (Refund) Net		**3.60**		(1.77)
Net Cash from/(used in) Operating Activities		**1,295.58**		1,679.35
B. Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment & Capital Work-in-Progress	**(542.90)**		(267.35)	
Movement of Intangible Asset Under Development	**(71.91)**		–	
Movement of Biological Assets other than Bearer plants	**–**		12.25	
Proceeds from sale of Property, Plant and Equipment	**12.40**		69.16	
Proceeds from Sale of Investment	**–**		110.47	
Interest Received	**35.56**		32.84	
Dividend Received	**0.07**		0.08	
Net Cash from / (used in) Investing Activities		**(566.78)**		(42.55)

Consolidated Statement of Cash Flows for the Year ended 31.03.2026

(Rupees in Lakhs)

Particulars	Year ended 31.03.2026		Year ended 31.03.2025	
C. Cash Flow from Financing Activities				
Interest paid on Lease Liabilities	**(2.72)**		(3.35)	
Principal Repayment of Lease Liabilities	**(11.26)**		(7.63)	
Finance Costs Paid	**(1,130.93)**		(1,131.51)	
Proceeds/(Repayment) from Current Borrowings (Net)	**60.74**		(760.93)	
Proceeds/(Repayment) from Non Current Borrowings (Net)	**368.78**		262.65	
Net Cash from/(used in) Financing Activities		**(715.39)**		(1,640.77)
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)		**13.41**		(3.97)
Cash and Cash Equivalents at the beginning of the period	**4.65**		8.62	
Cash and Cash Equivalents at the end of the period	**18.06**		4.65	
Net Increase/(decrease) in Cash and Cash Equivalents		**13.41**		(3.97)

As per our report of even date attached
For P.N. Raghavendra Rao & Co
Chartered Accountants
Firm Registration No. : 003328S

Pon Arul Paraneedharan
Partner
Membership No : 212860

Salem
May 23, 2026

For and on behalf of the board

S. Devarajan
Chairman and Managing Director
DIN : 00001910

S. Dinakaran
Joint Managing Director
DIN : 00001932

S. Natarajan
Company Secretary

P. Boopalan
Chief Financial Officer

Consolidated Statement of Changes in Equity for the Year ended 31.03.2026 **(Rupees in Lakhs)**

A. Equity Share Capital

Year Ended	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
31.03.2026	**427.55**	**–**	**427.55**
31.03.2025	427.55	–	427.55

B. Other Equity **(Rupees in Lakhs)**

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	Securities Premium	General Reserve	Retained Earnings		
Balance at the beginning of 01.04.2024	539.09	4,464.67	3,943.01	(237.22)	8,709.55
Profit/(Loss) for the year	–	–	(734.73)	–	(734.73)
Other Comprehensive income	–	–	–	193.07	193.07
Total Comprehensive income for the year	–	–	**(734.73)**	**193.07**	**(541.66)**
Balance as of 31.03.2025	**539.09**	**4,464.67**	**3,208.28**	**(44.15)**	**8,167.89**
Balance at the beginning of 01.04.2025	539.09	4,464.67	3,208.28	(44.15)	8,167.89
Profit/(Loss) for the period	–	–	(566.60)	–	(566.60)
Other Comprehensive income	–	–	–	9.98	9.98
Total Comprehensive income for the year	–	–	**(566.60)**	**9.98**	**(556.62)**
Balance as of 31.03.2026	**539.09**	**4,464.67**	**2,641.68**	**(34.17)**	**7,611.27**

Notes :

(a) Dividends declared/paid during the year and amounts transferred to Retained Earnings Rs.Nil (2024-25 Rs. Nil).

(b) Share application money pending allotment, Equity component of Compound financial instruments, Capital Reserves Debt/Equity instruments through OCI, effective portion of cash flow hedges, etc Rs.Nil (2024-25 Rs.Nil)

As per our report of even date attached
For P.N. Raghavendra Rao & Co
Chartered Accountants
Firm Registration No. : 003328S

Pon Arul Paraneedharan
Partner
Membership No : 212860

Salem
May 23, 2026

For and on behalf of the board

S. Devarajan
Chairman and Managing Director
DIN : 00001910

S. Dinakaran
Joint Managing Director
DIN : 00001932

S. Natarajan
Company Secretary

P. Boopalan
Chief Financial Officer

Notes to the Consolidated Financial Statements
NON-CURRENT ASSETS
Note 1 : Property, Plant and Equipment

(Rupees in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Solar Equipment	Wind Energy Converters	Furniture and Fixtures	Vehicles	Office and Other Equipments	Total	Capital Work in Progress	Intangible assets under Development
Gross Carrying amount											
Balance as at 01.04.2024	**2,244.12**	**3,880.38**	**8,271.26**	**4,088.92**	**1,742.32**	**8.40**	**420.23**	**99.58**	**20,755.21**	**198.82**	**–**
Additions	–	16.64	257.71	14.70	–	3.69	1.53	10.78	305.05	216.84	–
Deletions/Adjustments	–	–	14.82	–	–	–	–	–	14.82	254.54	–
Assets transferred for held for Sale	–	–	–	–	–	–	–	–	–	–	–
Balance as at 31.03.2025	**2,244.12**	**3,897.02**	**8,514.15**	**4,103.62**	**1,742.32**	**12.09**	**421.76**	**110.36**	**21,045.44**	**161.12**	**–**
Additions	–	81.10	303.81	–	–	–	10.19	20.68	415.78	208.48	71.91
Deletions/Adjustments	–	–	61.22	–	–	–	–	–	61.22	81.36	–
Disposal of Assets for held for Sale	–	–	–	–	–	–	–	–	–	–	–
Balance as at 31.03.2026	**2,244.12**	**3,978.12**	**8,756.74**	**4,103.62**	**1,742.32**	**12.09**	**431.95**	**131.04**	**21,400.00**	**288.24**	**71.91**
Accumulated Depreciation											
Balance as at 31.03.2024	**–**	**1,095.18**	**4,701.54**	**570.97**	**1,437.18**	**5.86**	**288.02**	**53.22**	**8,151.97**	**–**	**–**
Depreciation for the year	–	157.75	465.87	275.30	0.90	1.36	25.93	9.70	936.81	–	–
Withdrawn	–	–	7.87	–	–	–	–	–	7.87	–	–
Assets transferred for held for Sale	–	–	–	–	–	–	–	–	–	–	–
Balance as at 31.03.2025	**–**	**1,252.93**	**5,159.54**	**846.27**	**1,438.08**	**7.22**	**313.95**	**62.92**	**9,080.91**	**–**	**–**
Depreciation for the year	–	157.95	399.51	275.51	0.90	1.27	27.20	13.90	876.24	–	–
Withdrawn	–	–	34.36	–	–	–	–	–	34.36	–	–
Balance as at 31.03.2026	**–**	**1,410.88**	**5,524.69**	**1,121.78**	**1,438.98**	**8.49**	**341.15**	**76.82**	**9,922.79**	**–**	**–**
Net Carrying amount											
Balance as at 31.03.2025	**2,244.12**	**2,644.09**	**3,354.61**	**3,257.35**	**304.24**	**4.87**	**107.81**	**47.44**	**11,964.53**	**161.12**	**–**
Balance as at 31.03.2026	**2,244.12**	**2,567.24**	**3,232.05**	**2,981.84**	**303.34**	**3.60**	**90.80**	**54.22**	**11,477.21**	**288.24**	**71.91**

Capital Work in Progress Ageing Schedule **(Rupees in Lakhs)**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31.03.2026					
Projects in progress	208.48	79.76	–	–	288.24
Projects temporarily suspended	–	–	–	–	–
As at 31.03.2025					
Projects in progress	148.26	12.86	–	–	161.12
Projects temporarily suspended	–	–	–	–	–

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements

Note : **(Rupees in Lakhs)**

1. Impairment loss recognized/reversed during the year Rs. Nil (2024-25 Rs.Nil)
2. Amount of Contractual Commitments for acquisition of Property, Plant and Equipment - Refer Note No.43
3. For details of Property, Plant and Equipment given as security against borrowings - Refer Note No.47
4. The Company has capitalised the specific borrowing cost of Rs. 18.28 Lakhs (2024-25 Nil) during the period on the qualified assets.
5. All the immovable properties are held in the name of the Company.
6. There are no proceedings initiated during the year or are pending against the company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
7. The Company does not have any Capital work-in-progress (CWIP) whose completion is overdue or has exceeded its original planned cost.

Intangible Assets under Development Ageing Schedule **(Rupees in Lakhs)**

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31.03.2026					
Projects in progress	71.91	–	–	–	71.91
Projects temporarily suspended	–	–	–	–	–
As at 31.03.2025					
Projects in progress	–	–	–	–	–
Projects temporarily suspended	–	–	–	–	–

Note 2 : Right of Use Assets

Particulars	Amount
Leasehold Land and Buildings	
Gross Carrying amount	
Balance as at 31.03.2024	**45.60**
Additions	3.72
Deletions / Adjustments	–
Balance as at 31.03.2025	**49.32**
Additions	4.62
Deletions / Adjustments	–
Balance as at 31.03.2026	**53.94**
Accumulated Depreciation	
Balance as at 31.03.2024	**14.43**
Depreciation for the year	8.37
Withdrawn	–
Balance as at 31.03.2025	**22.80**
Depreciation for the year	10.98
Withdrawn	–
Balance as at 31.03.2026	**33.78**
Net Carrying amount	
Balance as at 31.03.2025	**26.52**
Balance as at 31.03.2026	**20.16**

Notes : 1. Lease hold land and buildings is pursuant to application of Ind As 116. Refer Note No. 48
2. Lease agreements are duly executed in favour of the company.

Note 3 : Intangible Assets

Computer Software	
Gross Carrying amount	
Balance as at 31.03.2024	**0.48**
Additions	–
Deletions/Adjustments	–
Balance as at 31.03.2025	**0.48**
Additions	–
Deletions/Adjustments	–
Balance as at 31.03.2026	**0.48**

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

Particulars	Amount
<u>**Accumulated Depreciation**</u>	
Balance as at 31.03.2024	**0.44**
Amortisation for the year	–
Withdrawn	–
Balance as at 31.03.2025	**0.44**
Amortisation for the year	–
Withdrawn	–
Balance as at 31.03.2026	**0.44**
<u>**Net Carrying amount**</u>	
Balance as at 31.03.2025	**0.04**
Balance as at 31.03.2026	**0.04**

Notes : 1. Impairment loss recognized/reversed during the year Rs.Nil (2024-25 Rs.Nil)

Particulars	As at 31.03.2026	As at 31.03.2025
Note 4 : Biological Assets other than Bearer plants		
Biological Assets - Cattles	**198.21**	144.85
	198.21	144.85
Reconciliation of Carrying amount		
Balance at the beginning of the year	**144.85**	135.85
Cattles purchased during the year	**–**	–
Change in Fair Value/Cattles matured during the year	**53.36**	21.25
Cattles sold/discarded during the year	**–**	12.25
Balance at the end of the year	**198.21**	144.85

Note :

1. As at 31.03.2026, there were 243 cattles as biological assets (31.03.2025 : 219)
2. The fair valuation of biological assets is classified as Level 2 in the fair value hierarchy as they are determined based on the best available quote from the nearest market on the basis of age of cows and calves.

Particulars	As at 31.03.2026	As at 31.03.2025
Note 5 : Non - Current Financial Assets - Investments		
Investments in Equity instruments		
I. Quoted Equity Shares - At FVTPL		
Others		
1,463 (31.03.2025 : 1,463) Equity shares of Rs.10 each in Karnataka Bank Limited	**3.27**	2.57
II. Unquoted Equity Shares		
Associates		
19,90,000 (31.03.2025 : 19,90,000) Equity shares of Rs.10 each in SPMM Health Care Services Private Limited	**199.00**	199.00
Add: Group Share of Profit/(Loss)	**23.97**	16.37
	222.97	215.37
7,04,060 (31.03.2025 : 7,04,060) Equity shares of Rs.10 each in Salem IVF Centre Private Limited*	**–**	–
Less: Group Share of Profit/(Loss)	**–**	–
	–	–
Less: Provision for diminution in value towards	**–**	–
	226.24	217.94
Aggregate cost of Quoted Investments	**0.15**	0.15
Aggregate market value of Quoted Investments	**3.27**	3.29
Aggregate amount of unquoted Investments	**222.97**	215.37
Aggregate amount of impairment in value of Investments	**–**	–

Note : All the investments made by the Company are fully paid-up unless otherwise stated

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	As at 31.03.2026	As at 31.03.2025
Note 6 : Other Non Current Financial Assets		
Unsecured and Considered Good		
Security Deposits	**415.03**	322.16
Bank deposits with original maturity of greater than 12 months	**0.10**	0.10
	415.13	322.26
Note 7 : Other Non Current Assets		
Unsecured and Considered Good, unless otherwise stated		
Amount recoverable from employee (Refer Note. 52)		
Considered good	**–**	100.00
Considered doubtful	**1,309.26**	1,209.26
	1,309.26	1,309.26
Less : Provision for doubtful amount	**1,309.26**	1,209.26
	–	100.00
Capital Advances	**53.05**	23.10
	53.05	123.10
Note 8 : Inventories		
Raw materials	**4,291.13**	2,873.51
Work-in-progress	**3,596.89**	3,099.41
Finished goods - Yarn	**478.17**	1,652.22
Stores and spares	**106.54**	37.09
	8,472.73	7,662.23

Note :

1. There are no goods in transit as at the end of the current reporting period and the previous reporting period.
2. Cost of materials consumed during the year, Refer Note No. 30

Particulars	As at 31.03.2026	As at 31.03.2025
Note 9 : Trade Receivables		
Undisputed, Unsecured - Considered Good Related Parties	**93.68**	20.75
Undisputed, Unsecured - Considered Good Others	**1,721.57**	2,140.20
Undisputed, Unsecured - Credit Impaired	**77.21**	77.21
	1,892.46	2,238.16
Less : Provision for Expected Credit Losses	**77.21**	77.21
	1,815.25	2,160.95

Trade Receivables Ageing as on 31.03.2026

Particulars	Outstanding as on 31.03.2026 for the following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 year - 2 year	2 year - 3 year	More than 3 year	Total
Undisputed Trade receivables							
Undisputed considered good related parties	–	75.22	–	18.46	–	–	93.68
Undisputed considered good others	1,115.33	497.46	19.46	5.23	84.09	–	1,721.57
Undisputed which have significant credit risk	–	–	–	–	–	–	–
Undisputed credit impaired	–	–	–	–	–	77.21	77.21
Disputed Trade receivables	–	–	–	–	–	–	–
Total	**1,115.33**	**572.68**	**19.46**	**23.69**	**84.09**	**77.21**	**1,892.46**

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	As at 31.03.2026	As at 31.03.2025

Trade Receivables Ageing as on 31.03.2025

Particulars	Outstanding as on 31.03.2025 for the following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 year - 2 year	2 year - 3 year	More than 3 year	Total
Undisputed Trade receivables Undisputed considered good related parties	–	20.75	–	–	–	–	20.75
Undisputed considered good others	1,393.77	552.44	29.18	164.81	–	–	2,140.20
Undisputed which have significant credit risk	–	–	–	–	–	–	–
Undisputed credit impaired	–	–	–	–	5.99	71.22	77.21
Disputed Trade receivables	–	–	–	–	–	–	–
Total	**1,393.77**	**573.19**	**29.18**	**164.81**	**5.99**	**71.22**	**2,238.16**

Note 10A : Cash and Cash Equivalents

Balances with Banks in Current Account	**17.95**	3.76
Cash on hand	**0.11**	0.89
	18.06	4.65

Note 10B : Bank Balances other than Cash and Cash Equivalents

Earmarked Balances with banks		
Balance in Unclaimed Dividend accounts	**4.68**	5.87
Liquid assets deposits #	**48.00**	84.09
Deposits with Banks held as margin money #	**103.28**	106.05
Earmarked deposits	**50.00**	–
	205.96	196.01

represents deposits with original maturity of more than 3 months and less than 12 months

Note 11 : Other Current Financial Assets

Accrued Interest	**41.56**	33.16
Export incentive receivable	**23.66**	3.77
Employee advances	**147.22**	112.45
Rent receivable	**–**	3.07
Other receivable	**50.19**	27.68
	262.63	180.13

Note 12 : Current Tax Assets/(Liabilities) - Net

Opening balance	**25.42**	27.19
Net Taxes paid/(refund) for the year	**3.60**	(1.77)
Current Tax Assets/(Liabilities) - Net	**29.02**	25.42

Note 13 : Other Current Assets

Unsecured Considered Good		
Prepaid expenses	**126.20**	117.33
Supplier advances	**510.22**	106.35
Balance with Government Authorities	**1,531.27**	1,594.03
	2,167.69	1,817.71

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Note 14 : Assets Classified as Held for Sale		
Plant and Machinery		
Cost of Assets Classified as Held for Sale	**513.25**	645.67
Less : Accumulated Depreciation thereon	**(203.16)**	(255.58)
Value of Assets Classified as Held for Sale	**310.09**	390.09
Less : Value of Assets Sold	**–**	(80.00)
Closing Balance	**310.09**	310.09
Note 15 : Equity Share Capital		
Authorised		
50,00,000 Equity Shares (31.03.2025 : 50,00,000) of Rs. 10 each with voting rights	**500.00**	500.00
Issued		
42,86,400 Equity Shares (31.03.2025 : 42,86,400) of Rs. 10 each with voting rights	**428.64**	428.64
Subscribed and paid up share capital		
42,64,600 Equity Shares (31.03.2025 : 42,64,600) of Rs. 10 each with voting rights	**426.46**	426.46
Add: Forfeited Shares (Amount originally paid in respect of 21,800 Equity Shares)	**1.09**	1.09
	427.55	427.55

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2026		As at 31.03.2025	
	No. of Shares	Amount (Rs. in Lakhs)	No. of Shares	Amount (Rs. in Lakhs)
Equity Shares				
At the beginning of the period	**42,64,600**	**426.46**	42,64,600	426.46
At the end of the period	**42,64,600**	**426.46**	42,64,600	426.46

b. Terms/rights and restrictions in respect of Equity Shares

The Company has only one class of equity shares having face value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend recommended by the Board of Directors is subject to the approval of shareholders at the ensuing Annual General Meeting.

c. Details of shareholders holding more than 5% Shares in the Company

Name of the Shareholder	As at 31.03.2026		As at 31.03.2025	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares with voting rights				
S. Devarajan	**6,26,599**	**14.69%**	6,26,599	14.69%
S. Jegarajan	**4,88,576**	**11.46%**	4,88,576	11.46%
S. Dinakaran	**4,19,044**	**9.83%**	4,19,044	9.83%

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

d. Details of shareholding of Promoters in the Company

Name of the Shareholder	As at 31.03.2026		As at 31.03.2025		% Change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Equity Shares with voting rights					
S. Devarajan	**6,26,599**	**14.69%**	6,26,599	14.69%	0.00%
S. Jegarajan	**4,88,576**	**11.46%**	4,88,576	11.46%	0.00%
S. Dinakaran	**4,19,044**	**9.83%**	4,19,044	9.83%	0.00%
R. Natarajan	**1,92,390**	**4.51%**	1,92,390	4.51%	0.00%
D. Sudharshan	**88,760**	**2.08%**	88,760	2.08%	0.00%
D. Senthilnathan	**60,109**	**1.41%**	60,109	1.41%	0.00%
N. Porkodi	**61,880**	**1.45%**	61,880	1.45%	0.00%
D. Rathipriya	**41,580**	**0.98%**	41,580	0.98%	0.00%
V. Valarnila	**37,160**	**0.87%**	37,160	0.87%	0.00%
D. Manjula	**30,540**	**0.72%**	30,540	0.72%	0.00%
Ramya Jegarajan	**26,540**	**0.62%**	26,540	0.62%	0.00%
J. Parameswari	**22,575**	**0.53%**	22,575	0.53%	0.00%
J. Sakthivel	**14,600**	**0.34%**	14,600	0.34%	0.00%
N. Usha	**14,250**	**0.33%**	14,250	0.33%	0.00%
S. Sivakumar	**3,848**	**0.09%**	3,848	0.09%	0.00%
D. Niranjankumar	**5,800**	**0.14%**	5,800	0.14%	0.00%
D. Minusakthipriya	**4,000**	**0.09%**	4,000	0.09%	0.00%
D. Anupama	**3,220**	**0.08%**	3,220	0.08%	0.00%
A. Sarayu	**186**	**0.00%**	186	0.00%	0.00%
R. Selvarajan	**101**	**0.00%**	101	0.00%	0.00%
Shahasara Shankana N	**500**	**0.01%**	–	0.00%	0.01%
Thiyashyugan S	**100**	**0.00%**	–	0.00%	0.00%
Sakthivel Aarav Yugan	**100**	**0.00%**	–	0.00%	0.00%
	21,42,458	**50.24%**	21,41,758	50.22%	0.02%

e. Share issue in preceeding five years

Aggregate number and class of shares allotted for consideration other than cash, bonus, etc.in the five years immediately preceeeding the Balance Sheet date as at 31.03.2026 is Rs. Nil (31.03.2025 : Rs. Nil).

Note 16 : Other Equity

Particulars	Note No	As at 31.03.2026	As at 31.03.2025
Securities Premium Reserve	A	**539.09**	539.09
General Reserve	B	**4,464.67**	4,464.67
Retained Earnings	C	**2,641.68**	3,208.28
Other Comprehensive Income	D	**(34.17)**	(44.15)
		7,611.27	8,167.89

Refer Statement of Changes in Equity for additions/ deletions during the period

Notes :

A. Securities Premium Reserve represents premium received on issue of Equity Shares, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.

B. General Reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, Bonus issue, etc.

C. Retained earnings includes Revaluation reserve of Rs. 2707.94 lakhs which was transferred to retained earnings on the transition date, may not be available for distribution.

D. Other Comprehensive Income represents the cumulative gain/loss arising on remeasurement of defined benefit obligation. This would not be reclassified to the Statement of Profit and Loss.

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	As at 31.03.2026	As at 31.03.2025
NON-CURRENT LIABILITIES		
Note 17 : Financial Liabilities - Long Term Borrowings		
Secured Borrowings		
Term loan from Banks	**2,619.25**	2,438.92
Unsecured Borrowings		
From Directors	**467.00**	702.00
Fixed Deposits from members	**871.36**	709.91
Interest Free unsecured Loans from Directors	**262.00**	–
Deferred Payment Liabilities	**2,278.53**	732.73
	6,498.14	4,583.56

Note :
1. Refer Note 22 for Current maturities of Non Current Borrowings
2. Refer Note 47 for Nature of security for Borrowings
3. Refer Note 46 for Borrowings from Related parties
4. The company has utilised the borrowings only for the intended purpose for which the borrowings were availed.
5. The company has not utilised the borrowings raised on short term basis for long term puposes.

Particulars	As at 31.03.2026	As at 31.03.2025
Note 18 : Lease Liabilities (Non-Current)		
Lease Liabilities from Related party (Ind AS 116)	**10.87**	20.10
	10.87	20.10

Note :
1. Refer Note 23 for Current Maturities of Lease Liabilities
2. Refer Note 48 for disclosure under Ind AS 116
3. Refer Note 46 for Lease Liabilities from Related parties

Particulars	As at 31.03.2026	As at 31.03.2025
Note 19 : Other Non Current Financial Liabilities		
Security Deposits	**5.23**	5.23
	5.23	5.23
Note 20 : Non - Current Provisions		
Provision for Employee benefits		
Contribution to Gratuity Fund	**339.99**	133.04
	339.99	133.04
Note 21 : Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities	**1,498.00**	1,533.73
Deferred Tax Assets	**1,444.37**	1,311.19
Net Deferred Tax Liabilities	**53.63**	222.54

Note : Refer Note. 40 for details of Deferred Tax Liabilities and Assets

Particulars	As at 31.03.2026	As at 31.03.2025
CURRENT LIABILITIES		
Note 22 : Financial Liabilities - Short Term Borrowings		
Secured Borrowings		
Cash Credit facilities from Banks	**5,210.64**	5,115.45
Current Maturities of Long Term Borrowings	**1,212.09**	1,394.05
Acceptance of LC	**733.20**	544.44
Unsecured Borrowings		
Fixed Deposits From Directors	**3.00**	15.00
Fixed Deposits from members	**218.65**	247.90
	7,377.58	7,316.84

Note :
1. Refer Note 47 for Nature of Security for Borrowings
2. The Quarterly returns/statement of Current Assets filed by the Company with banks are in agreement with the books of account

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	As at 31.03.2026	As at 31.03.2025
Note 23 : Lease Liabilities (Current)		
Lease Liabilities from Related party (Ind AS 116)	**11.96**	9.37
	11.96	9.37

Note :
1. Refer Note 48 for Disclosure under Ind AS 116
2. Refer Note 46 for Lease Liabilities from Related parties

Particulars	As at 31.03.2026	As at 31.03.2025
Note 24 : Trade Payables		
Outstanding dues of trade payables to		
a) Micro and Small Enterprises	**736.33**	226.12
b) Other than Micro and Small Enterprises	**1,672.84**	2,172.19
	2,409.17	2,398.31

Trade payables Ageing as on 31.03.2026

Particulars	Outstanding as at 31.03.2026 for the following periods from the due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
a) Micro and Small Enterprises	736.33	–	–	–	736.33
b) Others	1,672.84	–	–	–	1,672.84
c) Diputed Dues - Micro and Small Enterprises	–	–	–	–	–
d) Disputed Dues - Others	–	–	–	–	–
Total	**2,409.17**	**–**	**–**	**–**	**2,409.17**

Trade payables Ageing as on 31.03.2025

Particulars	Outstanding as at 31.03.2025 for the following periods from the due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
a) Micro and Small Enterprises	226.12	–	–	–	226.12
b) Others	2,148.40	0.82	22.97	–	2,172.19
c) Diputed Dues - Micro and Small Enterprises	–	–	–	–	–
d) Disputed Dues - Others	–	–	–	–	–
Total	**2,374.52**	**0.82**	**22.97**	**–**	**2,398.31**

Note : The outstanding dues to Micro and Small Enterprises have been determined based on the information available with the management.

Supplier Finance Arrangements :

Certain suppliers of the company have availed arrangements with banks under Letters of Credit to receive payment before the original due date. The company settles the corresponding amounts with the financing banks on the agreed dates with the underlining commercial credit terms remaining unchanged. As at March 31, 2026 the carrying amount of liabilities subject to such arrangements is Rs 733.20 lakhs, in respect of which the suppliers have received payment from the banks. The company has classified these liabilities under short term borrowings. There were no significant non-cash changes in the carrying amount of these liabilities during the year.

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	As at 31.03.2026	As at 31.03.2025
Additional Disclosure :		
Based on and to the extent of information available with the Company under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:		
i) Principal amount due to suppliers under MSMED Act, as at the end of the year	**736.33**	226.12
ii) Interest accrued and due to suppliers under MSMED Act, on the above amount as at the end of the year	**5.27**	3.78
iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	**–**	–
iv) Interest paid to suppliers under MSMED Act (other than Section 16)	**–**	–
v) Interest paid to suppliers under MSMED Act (Section 16)	**–**	–
vi) Interest due and payable to suppliers under MSMED Act, for payments already made	**–**	–
vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	**5.27**	3.78
Note 25 : Other Current Financial Liabilities		
Interest accrued but not due on borrowings	**15.10**	23.05
Unclaimed Dividends	**4.68**	5.87
Accrued expenses/liabilities	**483.59**	537.82
Expenses payable	**362.33**	925.78
Employee payables	**99.90**	62.91
	965.60	1,555.43
Note 26 : Other Current Liabilities		
Advance from customers	**98.89**	139.03
Statutory liabilities	**37.27**	30.37
	136.16	169.40
Note 27 : Current Provisions		
Provision for Employee benefits		
Contribution to Gratuity Fund	**70.47**	198.09
Provision for Bonus	**114.00**	110.20
	184.47	308.29

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
Note 28 : Revenue from Operations		
Sale of products		
Yarn	**25,394.03**	25,839.86
Fabric sales	**–**	8.65
Process waste	**776.91**	861.78
	26,170.94	26,710.29
Other Operating revenues		
Power generated by Wind Energy Converters (Net of Captive generation)	**120.58**	109.54
Scrap sales	**7.19**	7.31
Export incentives and manufacturing charges	**67.74**	20.96
	195.51	137.81
Total Revenue from Operations	**26,366.45**	26,848.10

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
Note 29 : Other Income		
Interest Income	**35.56**	32.84
Dividend income from Non-current investments	**0.07**	0.08
Rent received	**10.90**	10.90
Certification charges	**9.25**	36.94
Net Gain or Loss arising on Fair Value of Biological asset	**53.36**	21.25
Net Gain arising on Fair Value of Financial Asset	**0.70**	–
Foreign Exchange Gain (Net)	**24.69**	4.61
	134.53	106.62
Note 30 : Cost of Materials Consumed		
Opening Stock of Raw materials	**2,873.51**	2,841.22
Add : Purchase of Raw materials	**18,498.04**	18,275.23
	21,371.55	21,116.45
Less : Closing Stock of Raw materials	**4,291.13**	2,873.51
Raw materials consumed	**17,080.42**	18,242.94
Note 31 : Changes in Inventories of Finished Goods and Work-in-Progress		
Inventories at the end of the year		
Finished Goods	**478.17**	1,652.22
Work-in-Progress	**3,596.89**	3,099.41
	4,075.06	4,751.63
Inventories at the beginning of the year		
Finished Goods	**1,652.22**	1,970.63
Work-in-Progress	**3,099.41**	2,679.40
	4,751.63	4,650.03
Net Change in Inventories of Finished Goods and Work-in-Progress	**676.57**	(101.60)
Note 32 : Employee Benefits Expense		
Salaries, Wages and Bonus	**2,993.91**	3,098.18
Contribution to Provident, Gratuity and other funds	**299.79**	335.18
Staff Welfare expenses	**93.89**	80.57
	3,387.59	3,513.93
Note 33 : Finance Costs		
Interest Expenses	**1,138.88**	1,138.81
Interest on MSME	**5.27**	3.78
Interest on lease liabilities (Ind AS 116)	**2.72**	3.35
	1,146.87	1,145.94
Note 34 : Depreciation and Amortisation Expense		
Property, Plant and Equipment		
Buildings	**157.95**	157.75
Plant and Machinery	**399.51**	465.87
Wind Energy Converters	**0.90**	0.90
Solar Equipments	**275.51**	275.30
Furniture and Fixtures	**1.27**	1.36
Office and Other Equipments	**13.90**	9.70
Vehicles	**27.20**	25.93
	876.24	936.81

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
Right of Use Asset		
Land and Buildings	**10.98**	8.37
	10.98	8.37
Intangible Assets		
Computer Software	**–**	–
	–	–
	887.22	945.18

Refer note 1, 2 and 3 on Property, Plant and Equipments, Right of Use Asset and Intangible Assets The Company has not charged depreciation to an extent of Rs. 71.12 lakhs during the year ended 31.03.2026 on these assets in accordance with Ind AS 105.

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
Note 35 : Other Expenses		
Cotton dyeing, Fabric conversion, Yarn mercirising and doubling charges	**416.80**	395.48
Consumption of stores and spares	**335.47**	375.53
Power and fuel (Net)	**1,654.78**	1,842.08
Rent	**0.05**	0.66
Repairs and maintenance - Buildings	**24.96**	32.67
- Plant and Machinery	**270.04**	285.08
- Others	**22.98**	25.36
Insurance	**36.03**	35.87
Rates and taxes	**69.70**	26.29
Testing charges	**16.41**	18.44
Packing and forwarding charges	**272.97**	234.72
Dairy farm expenditure	**11.25**	46.10
Sales Promotion Expenses	**45.67**	94.94
Security charges	**38.90**	18.34
Subscription & Periodicals	**7.49**	8.01
Printing and Stationery	**20.49**	20.86
Postage and Courier	**4.42**	4.84
Telephone and Internet Charges	**6.54**	6.98
Brokerage and Commission on sales	**145.48**	106.94
Auditor Remuneration	**12.76**	10.08
Legal and Professional charges	**66.23**	51.05
Travel and Vehicle upkeep expenses	**324.92**	359.62
Loss on sale of Property, Plant and Equipment	**14.46**	17.79
Loss arising on Fair Value of Financial Asset	**–**	0.73
Directors' sitting fees	**17.60**	18.50
Coporate Social Responsibility Expenditure (Refer Note No. 38)	**3.62**	4.20
Provision for Expected Credit Losses / Impairment	**103.54**	97.11
Bank and Other financial charges	**68.99**	66.32
Miscellaneous Expenses	**56.38**	60.86
	4,068.93	4,265.45
Notes : Breakup of Auditor's Remuneration :		
Payment to Auditors as		
i) Statutory audit	**8.00**	8.00
ii) Taxation matters	**2.00**	2.00
iii) Other services	**2.76**	0.08

Note No. 36 A

Statement of Material Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2026

1. Corporate Information:

Sambandam Spinning Mills Limited (the 'Company') is a listed Public Company having its registered in Mill Premises, Kamaraj Nagar Colony, Salem District - 636 014, Tamil Nadu State. The Company's Shares are listed on the Bombay Stock Exchange (BSE). The Company is into the business of manufacture of Yarn (cotton, synthetic, etc) and Fabric. The company has three manufacturing locations around Salem, 12.35 MW Wind Energy Converters located in Tirunelvi District, Tamil Nadu State and 9MW of solar energy plants which produce electricity for its own consumption and for sale.

The Board of Directors approved the Consolidated financial statements for the year ended 31st March 2026 at their Board meeting held on 23rd May 2026.

2. Material Accounting Policies:

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation of Financial Statements

(i) Compliance with Indian Accounting Standards (IND AS)

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015, as amended and other relevant provisions of the Act. The financial statements comply in all material aspects with Ind AS notified under the Act read with other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical Cost Convention

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

- Certain financial assets and liabilities that are measured at fair value.
- Defined benefit plans – plan assets measured at fair value.

The fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, as described below:

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/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)

(iii) Current and Non - Current Classification

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act 2013.

Deferred Tax assets and liabilities are classified as Non-current assets and liabilities.

The company has identified Twelve months for the classification as current and non current.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimal places of lakhs as per the requirement of Schedule III, unless otherwise stated.

Statement of Material Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd...)

b) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (Rs), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Statement of Profit and Loss.

c) Revenue Recognition

Revenue from contracts with customers is recognised on transfer of control of promised goods or service to a customer at an amount that reflects the consideration to which the company is expected to be entitled to in exchange for those goods or services. The company recognises the revenue at the amount of transaction price on the satisfaction of performance obligation. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Revenue is recognised only to the extent that is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of products

Timing of recognition – Revenue from sale of products is recognized when the performance obligations are satisfied and the control of the products is transferred to customers based on the terms of contract. Revenue is recognised when collectability of the resulting receivable is reasonably assured.

Measurement of revenue -Revenue is measured based on the transaction price, which is the consideration, net of customer incentives, discounts, variable considerations, payments made to customers as specified in the terms of contract with customers. A receivable is recognized when the goods are dispatched, delivered or upon formal customer acceptance depending on terms of contract with the customer.

Rendering of services

Revenue from services is recognized in accordance with the specific terms of contract on performance when the collectability of the resulting receivable is reasonably assured.

Income from energy generated

Revenue from energy generated through windmills is recognised based on the contractual rates with the customers and the credit granted by the regulatory authorities to the said customers for units generated.

Other Operating revenues

Other operating revenues comprise of income from ancillary activities incidental to the operations of the company and is recognised when the right to receive the income is established as per the terms of the contract.

d) Other Income

Other income comprising of interest income and rental income are accounted on accrual basis.

Dividend income from investments is recognised when the company's right to receive payment has been established (provided that 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 (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured realiably).

Statement of Material Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd...)

e) Government Grants

Grants from the government (including export incentives) are recognised only where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants are recognised in profit and loss account on a systematic basis over the periods in which they accrue. Income is deferred in case the Income is recognized in future periods.

f) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current tax is the amount of income tax payable in respect of taxable profit for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all deductible temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in Statement of Profit and Loss, except to the extent relates to items recognised in Other Comprehensive Income, in which case, it is recognised in Other Comprehensive Income. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against Current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

g) Leases

As a lessee :

The Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases)and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight -line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU Assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of–use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-ofuse assets are depreciated from the commencement date on a straight -line basis over the shorter of the useful life of the asset or the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Statement of Material Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd...)

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease Liabilities are re-measured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset shall be separately presented in the Balance Sheet and Lease payments shall be classified as financing cash flows.

As a lessor :

The Company classifies the lease when it does not transfer substantially all the risks and rewards of ownership of an asset as operating leases. The rental income under operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

h) Property, Plant and Equipment

Property, Plant and Equipment are measured at cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Cost includes related taxes, duties, freight, insurance etc., attributable to acquisition and installation of assets and borrowing cost incurred up to the date of commencing operations, but excludes duties and taxes that are recoverable from taxing authorities.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Cost in the nature of repairs and maintenance are recognised in the Statement of Profit and Loss during the reporting period in which they are incurred.

Assets which are not ready for their intended use and other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Advances given towards acquisition of Property, Plant and Equipment outstanding at each balance sheet date are disclosed as Capital Advances under Other Non-Current Assets.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment.

Depreciation/Amortisation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line basis and the rates arrived are based on the useful lives prescribed in Schedule II to the Companies Act, 2013, except in respect of the following assets, where useful life is different than those specified in Schedule II to the Companies Act are used:

Asset Description	Life of the asset (in year's)
Plant and equipment (continuous process plant)	Over its useful life of 18 years as Technically assessed
Wind energy convertors	Over its useful life of 18 years as Technically assessed

The company follows the policy of charging depreciation on pro- rate basis on the assets acquired during the year. Leasehold asset's are amortised over the period of lease or useful life whichever is less. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Statement of Material Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd...)

Dercognition

An item of Proprty, plant and equipment is derecognised upon disposal / when no future economic benefits are expected to arise from the continued use of assets. Gains or losses on disposal are determined by comparing proceeds with the carrying amount.

i) Intangible assets

i) Recognition

Intangible assets are recognised only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life.

ii) Amortization methods and periods

The Company amortizes intangible assets on a straight line method over their estimated useful life not exceeding 5 years. Software is amortised over a period of three years.

j) Impairment of Assets

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An Impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non- financial assets other than good that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

k) Biological Assets:

Livestock - Cattles

Livestock are measured at fair value less cost to sell. Costs to sell include the transportation charges for transporting the cattle to the market but excludes finance costs and income taxes. Changes in fair value of livestock are recognised in the Statement of Profit and Loss. Costs such as vaccination, fodder and other expenses are expensed as incurred.

l) Cash Flow Statement & Cash and Cash Equivalents

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

For the purpose of presentation in the Cash flow statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

m) Trade Receivables

Trade receivables are recognised initially at transaction price.

n) Inventories

Raw materials and stores, work-in-progress, finished goods are stated at the lower of cost and net realizable value.

Cost of raw materials comprise of cost of purchase.

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of normal operating capacity.

Statement of Material Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd...)

Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

o) Investment in Associates

The investment in associates are carried in the financial statements at historical cost except when the investment is classified as held for sale in which case it is accounted in accordance with Ind AS 105 - "Non – current assets held for sale and discontinued operations".

Investments in associates carried at cost are tested for impairment in accordance with Ind AS 36. Any impairment loss reduces the carrying value of the investment. The impairment losses so recognised is limited to the carrying value of the investment.

p) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument.

Financial Instruments are initially measured at fair value other than trade receivables which is recognized at transaction value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

i) Classification

The company classifies its financial assets in the following measurement categories:

a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b) those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments only when its business model for managing those assets changes.

ii) Initial Recognition

All financial assets are recognised initially at fair value, plus in the case of financial assets not at recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Statement of Material Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd...)

iii) Subsequent measurement

Subsequent measurement of debt instruments depends on the Company's business model for managing the assets and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost :

Assets that are held for collection of contractual cash flows where those cash represents the solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair Value through Other Comprehensive Income (FVOCI) :

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interestrevenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value through Profit or Loss (FVTPL) :

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments :

The Company subsequently measures all equity investments (other than investment in associates) at fair value. Dividends from such investment are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the other income.

iv) Impairment of Financial Assets

The Company assesses the expected credit losses associated with its assets carried at amortised cost in accordance with Ind AS 109. The Company recognises impairment losses on its financial assets based on whether there has been a significant increase in credit risk. The Company applies the simplified approach in accordance with Ind AS 109 Financial Instruments on trade receivables, where lifetime impairment losses is recognised at each reporting date, right from initial recognition of the receivables.

The Company recognises impairment loss on other financial assets measured at fair value at amortised cost, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk has not increased significantly, an amount equal to 12 month expected credit losses is measured as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime expected credit losses is measured and recognised as loss allowance.

Statement of Material Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd...)

v) Derecognition of Financial Assets

A financial asset is derecognized only when

a) The company has transferred the rights to receive cash flow from the financial asset or

b) The rights to receive the cash flows of the financial assets have expired

q) Derivatives

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted at fair value through profit or loss and are included in profit and loss account.

r) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

Financial Liabilities

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Initial Recognition and Measurement

All financial liabilities are initially recognised at the value of respective contractual obligations. The Company's financial liabilities includes loans and borrowings, trade and other payables are recognised at net of directly attributable transaction costs

Subsequent Measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest rate mehtod.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original financial liability and the recognition of a new financial liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

s) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowings costs are expensed in the period in which they are incurred.

Statement of Material Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd...)

t) Provisions and Contingencies

Provisions for legal claims and returns are recognised when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses

When the effect of time value of money is material, the provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as finance costs.

A contingent liability is disclosed whenever there is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events is not recognised as it is not probable to determine the reliability and outflow of resources that will be required to settle the obligation.

u) Employee benefits

(i) Short-term obligations

All employee benefits that are expectd to be settled within 12 months in which the employees render the related service are classifed as short-term employee benefits and are recognized in respect of employee's services up to the end of the reporting period. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Therefore they are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an the unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity; and

(b) Defined contribution plans such as provident fund and employee state insurance.

Statement of Material Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd...)

Gratuity obligations

The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in Other Comprehensive Income in the period in which they occur.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss.

Defined contribution plans

The company pays provident fund and employee state insurance contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plan and the contributions are recognized as employee benefit expense when they are due.

(iv) Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

v) Earning per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

a) The profit/(loss) attributable to owners of the company

b) By the weighted average number of equity shares outstanding during the financial year.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, other than the coversion of potential ordinary shares, that have changed the number of ordinary shares outstanding without a corresponding change in resources.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

a) The profit/(loss) for the period attributable to the owners of the company

b) The weighted average number of equity shares outstanding during the financial year, is adjusted for the effects of the all the dilutive potential equity shares.

Statement of Material Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd...)

w) Non-Current Assets held for sale:

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and a sale is considered highly probable.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized while they are classified as held for sale.

x) Critical estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

1. Estimation of defined benefit obligation

2. Useful lives of fixed assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

y) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

The MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates in May 2025, applicable with effect from April 1, 2025. The Company has evaluated the applicability of these amendments and concluded that they do not have a material impact on its financial statements.

The MCA notified amendments to Ind AS 1 – Presentation of Financial Statements in August 2025, applicable with effect from April 1, 2025. The Company has evaluated the amendments relating to the classification of current and non-current liabilities, and concluded that they do not have a material impact on the classification or presentation of its liabilities in the financial statements.

The MCA notified amendments to Ind AS 7, Statement of Cash Flows and Ind AS 107,Financial Instruments - Disclosures, applicable w.e.f. 1st April 2025 - The amendment in Ind AS 7 requires to inform users of financial statements of the existence and details of supplier finance arrangements. The Company has reviewed the amendment and appropriate disclosures have been made

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements **(Rupees in Lakhs)**

Note 36 B : Basis of Consolidation

36B.1 The Consolidated Financial Statements relate to Sambandam Spinning Mills Limited ("the Company") and its Associates

36B.2 Principles of Consolidation

a. The Consolidated financial statements have been prepared in accordance with Ind AS 28 "Investment in Associates and Joint Ventures" prescribed under Section 133 of the Companies Act, 2013. The financial statements of associates used in consolidation are drawn upto the same reporting date as of the Investee Company i.e. year ended 31.03.2026

b. The company has considered SPMM Health Care Services Private Limited, Associate Company for consolidated financial statements using Equity method as per Ind AS 110 "Consolidated Financial Statements" read with Ind AS 28 "Investments in Associated and joint Ventures".

S. No.	Name of the Associates	Nature of Business	Country	% of Ownership interest	
				31.03.2026	31.03.2025
1.	SPMM Health Care Services Private Limited	Healthcare services	India	**49.75%**	49.75%

36B.3 Additional Information, requried under Schedule III to the Companies Act, 2013 of entity consolidated as Associates:

S. No.	Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As a % of Consolidated Net Assets	Amount (in lakhs)	As a % of Consolidated Profit or Loss	Amount (in lakhs)	As a % of Consolidated OCI	Amount (in lakhs)	As a % of Consolidated Total Comprehensive Income	Amount (in lakhs)
	Company								
1.	Sambandam Spinning Mills Limited	97.23%	7,815.85	101.34%	(574.20)	100.00%	9.98	101.37%	(564.22)
	Associate (as per Equity method)								
2.	SPMM Health Care Services Private Limited	2.77%	222.97	(1.34)%	7.60	–	–	(1.37)%	7.60
	Total	**100.00%**	**8,038.82**	**100.00%**	**(566.60)**	**100.00%**	**9.98**	**100.00%**	**(556.62)**

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025

Note 37 : Details of Undisclosed Income, if any

The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 38 : Expenditure incurred on Coporate Social Responsibilities

i)	Gross amount required to be spent by the Company during the year	**–**	–
ii)	Amount spent during the year	**3.62**	4.20
iii)	Amount unspent as at the year end (shortfall)	**–**	–
iv)	Total of previous years shortfall	**–**	–
	Nature of CSR Activities		
i)	Promoting Health care and sanitation	**3.62**	4.20

Other disclosures with respect to Corporate Social Responsibility expenditure:

i) The Company has not made any provision in relation to CSR expenditure during the year and any previous year.

ii) The Company has not made any CSR contribution to any related party during the year.

Note 39 : Details of Crypto Currency or Virtual Currency, if any

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year ended 31.03.2026.

Note 40 : Tax Expenses

The major component of income tax expenses for the years ended 31.03.2026 and 31.03.2025 are as follows:

a)	**Tax Expenses/(Benefit) recognised in Statement of Profit and Loss**		
	Current Tax Expenses		
	In respect of the current year	**–**	–
	In respect of the earlier year	**–**	–
		–	–
	Deferred Tax Expenses/(Benefit)		
	In respect of the current year	**(172.42)**	(273.74)
		(172.42)	(273.74)
	Income Tax Expenses/(Benefit) recognised in the Statement of Profit and Loss	**(172.42)**	(273.74)
b)	**Tax Expenses recognised in Other Comprehensive Income**		
	Remeaurement of Defined Benefit Plans	**3.51**	67.84
	Income Tax Expenses/(Benefit) recognised in Other Comprehensive Income	**3.51**	67.84

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
Reconcilitation of Income Tax Expenses/(Benefit) and accounting profit:		
The Income Tax expenses/(benefit) for the year can be reconciled to the accounting profit of the year as follows:		
Profit/(Loss) Before Tax from Continuing operations	**(746.62)**	(1,017.05)
Income Tax Rate	**26.00%**	26.00%
Income Tax Expenses calculated	**(194.12)**	(264.43)
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Expenses that are not deductible in determining taxable profit	**319.36**	275.49
Expenses that are deductible in determining taxable profit	**(297.66)**	(284.80)
Effect of Change in Tax rates	**–**	–
Income tax expense/(benefit) recognised in Statement of profit and loss (relating to continuing operations)	**(172.42)**	(273.74)

1. The surcharge has not been considered as the Company has incurred loss during the reporting period.
2. The Company has made an assessment on the impact of Section 115BAA of the Income Tax Act, 1961 and decided to continue with the existing tax structure.

Movement of Deferred Tax Expenses/(Income) during the year:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss, depreciation carry forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

The major components of deferred tax liabilities/(assets) arising on account of timing differences are as follows:

Year Ended 31.03.2026 **(Rupees in Lakhs)**

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred Tax (Liabilities)/Assets in relation to:				
Property, Plant, and Equipment and Intangible Assets	(1,533.73)	35.73	–	(1,498.00)
Difference in treatment of expenses and Remeasurement of Defined Benefit Plans	179.24	172.46	(3.51)	348.19
Carry Forward Losses	1,131.95	(35.77)	–	1,096.18
	(222.54)	**172.42**	**(3.51)**	**(53.63)**

Year Ended 31.03.2025 **(Rupees in Lakhs)**

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred Tax (Liabilities)/Assets in relation to:				
Property, Plant, and Equipment and Intangible Assets	(1,536.58)	2.85	–	(1,533.73)
Difference in treatment of expenses and Remeasurement of Defined Benefit Plans	234.66	12.42	(67.84)	179.24
Carry Forward Losses	873.48	258.47	–	1,131.95
	(428.44)	**273.74**	**(67.84)**	**(222.54)**

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

Particulars	**Group Gratutity 31.03.2026**	Group Gratutity 31.03.2025

Note 41 : Disclosure under IND AS 19:

A. Defined Contribution Plans

The Company has defined contribution plans like Provident Fund and Employee State Insurance Scheme for the eligible employees of the Company in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary for the benefit of employees. The total expenses recognised in Statement of Profit and Loss is Rs.206.96 Lakhs (for the year ended 31.03.2025 Rs. 221.67 lakhs)

B. Defined Benefit Plans
Gratuity

The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an Actuarial valuation. The Company makes annual contributions to a funded Company Gratuity scheme administered by the SBI Life Insurance Company Limited.

The Company's liability towards Gratuity (funded), other retirement benefits and Compensated absences are actuarially determined at each reporting date using the projected unit credit method.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

Interest risk - A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the details of the defined benefits obligation and amount recognised in the financial statements.

Particulars	31.03.2026	31.03.2025
Principal Actuarial Assumptions		
Discount Rate	**7.07%**	6.76%
Salary Escalation Rate	**5.00%**	5.00%
Expected Return on Plan Assets	**6.76%**	7.22%
Attrition Rate	**5.00%**	5.00%
1. Net Asset/(Liability) recognised in Balance sheet		
Present value of Defined Benefit Obligation	**919.55**	859.68
Fair value of Plan Assets	**509.58**	528.55
Net liability arising from Defined Benefit Obligation - Funded	**409.98**	331.13
2. Amounts recognised in Statement of Profit and Loss in respect of these defined benefit plans are as follows:		
Current Service Cost	**70.47**	66.72
Net Interest Expenses	**22.38**	46.80
Total Employer Expense recognised in Statement of Profit and Loss	**92.86**	113.52

The Current Service Cost and the Net Interest Expense for the year are included in the Employee Benefits Expenses in Statement of Profit and Loss.

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

Particulars	Group Gratutity 31.03.2026	Group Gratutity 31.03.2025
3. Amounts recognised in Other Comprehensive Income in respect of these defined benefit plans are as follows:		
Remeasurement of Defined Benefit Obligation		
Effect of Changes in Financial assumptions	**(15.97)**	40.16
Effect of Changes in Experience adjustments	**2.89**	(469.53)
(Return)/Loss on Plan Assets	**(0.41)**	(1.16)
Other / Adjustments	**–**	169.62
Net Cost in Other Comprehensive Income	**(13.49)**	(260.91)
The remeasurement of the net Defined Benefit liability is included in Other Comprehensive Income.		
4. Change in Obligations		
Present Value of Defined Benefit Obligation at the beginning of the period	**859.68**	1,177.47
Current Service Cost	**70.47**	66.72
Interest Cost	**56.30**	83.61
Actuarial (Gains)/Losses arising from Experience Adjustments	**(13.08)**	(429.37)
Benefits paid	**(53.82)**	(38.75)
Present Value of Defined Benefit Obligation at the end of the period	**919.55**	859.68
5. Change in Assets		
Fair Value of Plan Assets at the beginning of the period	**528.55**	529.32
Expected Interest Income	**33.91**	36.82
Employer Contributions	**–**	–
Benefits paid	**(53.82)**	(38.75)
Actuarial Gain/(Loss)	**0.94**	1.16
Fair Value of Plan Assets at the end of the period	**509.58**	528.55

The Company funds the cost of the Gratuity expected to be earned on a yearly basis to SBI Life Insurance Company Limited, which manages the plan assets.

The Actual Return on Plan Assets was Rs. 34.84 Lakhs (2024-25 : Rs. 37.98 Lakhs)

Sensitivity Ananlysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant. The defined benefit obligation increases/decreases are as follows:

Discount Rate +50 Basis points - Decreases by	**25.64**	73.97
Discount Rate -50 Basis points - Increases by	**27.06**	87.32
Salary Escalation Rate +50 Basis points - Increases by	**25.99**	84.36
Salary Escalation Rate -50 Basis points - Decreases by	**24.83**	72.59

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

The Company expects to make a contribution of Rs. 70.47 Lakhs (as at March 31, 2025 : Rs. 198.09 Lakhs) to the defined benefit plans during the next financial year.

The Government of India vide notification dated 21st November 2025 has notified four Labour Codes ("New Labour Codes") consolidating 29 existing labour laws. Based on the Company's assessment there is no material impact on the financial results. The Company continues to monitor further developments of Central and State Government rules, as and when notified.

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025

Maturity Profile of Defined benefit obligation

Maturity Profile	31.03.2026	31.03.2025
1 year	**84.94**	86.99
2 year	**88.08**	81.50
3 year	**78.18**	76.31
4 year	**56.48**	71.41
5 year	**63.62**	49.78
More than 5 years	**548.25**	493.69
	919.55	859.68

Long Term Compensated Balances

The principal assumptions used for the purposes of the Actuarial valuation were as follows:

Discount Rate	**7.07%**	6.76%
Salary Escalation Rate	**5.00%**	5.00%

Note 42 : Earnings per Share

Basic and Diluted Earnings per Share		
From continuing operations	**(13.29)**	(17.23)
From discontinuing operations	**–**	–
Total Earnings per share	**(13.29)**	(17.23)

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

A. Net Profit after Tax available for equity shareholders (Rs. in Lakhs)	**(566.60)**	(734.73)
B. Weighted average number of Equity shares of Rs. 10/- each		
i) Number of Shares at the beginning of the year	**42,64,600**	42,64,600
ii) Number of Shares at the end of the year	**42,64,600**	42,64,600
Weighted average number of Equity shares outstanding during the year	**42,64,600**	42,64,600
C. Basic and Diluted Earnings per Share (in Rs.)	**(13.29)**	(17.23)

Note 43 : Contingent liabilities and Capital Commitments

A. Contingent liabilities not provided for

1. During the year 2008-09, TNEB Peak Hour penalty was levied by TANGEDCO. The Company has contested the same through Tamilnadu Spinning Mills Association (TASMA) vide Civil Appeal No. 10901099 of 2011 and obtained favourable order. Subsequently, TANGEDCO has filed Civil case appeal before the Hon'ble Supreme Court. However, the company has paid the amount in full under protest.	**130.16**	130.16
2. The Company has preferred an appeal before Madras High Court challenging the Electricity tax on Night Hour Rebate imposed by TANGEDCO for the period from 2009 to 2013. Further, TANGEDCO has filed a Civil Appeal No 167168 of 2012 before Supreme Court which is also pending for disposal. However, the company has paid the amount in full under protest.	**7.16**	7.16
3. The company has filed the case before Madras High Court challenging the Penalty towards Quota litigation on working methods, which is to be finalised by TNE Regulatory Commission (Writ Appeal No 5094 of 2012, APTEL Order on 13(f) Interim Appeal No 736 of 2019 in DFR No 1584 of 2019). However the company has paid the amount in full under protest.	**5.98**	5.98

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

	Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
4.	The Company has filed an appeal before Madras High Court towards captive consumption tax on self generated power which was exempted by Government due to green energy concept with retrospective period and the order was received in favour of TANGEDCO. Hence, the Company, through Tamilnadu Spinning Mills Association (TASMA) has filed Special Leave Petition No. 26742 of 2012 on this subject and interim orders were passed not to pay E-tax.	**23.48**	23.48
	However the company has paid the amount in full under protest.		
5.	The Company has filed an appeal before Madras High Court contesting that the actual charges should be Rs. 15.89 lakhs (21,190 sq. mts @ Rs. 75/sq. mtr) against the demanded Infrastructure Development and Amenities Charges for construction of building at Unit-3	**31.79**	66.75
6.	The Company has preferred an appeal before Madras High Court challenging the Corporation tax for the period from 1998 to 2024.	**105.60**	105.60
	The Company has paid off the amount during the year.		
7.	The Company has filed Writ Appeal before Madras High Court challenging the TANGEDCO claim of electricity cost on the the under consumption by company than committed quantity consumption (W.A.No. 27999 of 2010).	**69.38**	69.38
8.	The Company has been demanded 50% of deemed demand on GCP purchase units which has been included in EB bill and paid by Company every month. The Company had filed a Writ Petition No. 3382/2016 before Madras High Court and received a favourable order. However, TNEB has filed a Special Leave Petition before the Supreme Court.	**105.40**	69.92
9.	The Company has contested before Supreme Court towards E-tax demand @ 5% on recorded demand.	**176.04**	153.51
10.	The Company has obtained interim stay from Hon'ble Madras High Court towards self generation tax demand on Solar Power energy generated (WP - 29182, 29175, 29178/03.11.2022 & WP - 29751/09.11.2022)	**28.37**	20.14
11.	The Company has preferred an appeal before Supreme Court towards self generation tax @ 10 paise/unit on captive consumption of windmill energy generated.	**135.86**	118.53
12.	The Company has preferred an appeal before before Appellate Tribunal, Coimbatore towards reversal of claim of GST Input Tax Credit for the FY 2015-16.	**7.39**	7.39
	The company has paid Rs. 7.38 lakhs against the same.		
13.	Roof Top Solar Gen Units Net work Charges @ 1.04 TASMA - High Court (Chennai) Order - WP No - 1441 of 2025	**59.77**	6.39
14.	IEX Power Electricity tax details -Electricity tax for Power Adjusted Units @10 paise /unit .High court (chennai) Order WP 29182/03.11.2022	**10.48**	–

B. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for is Rs. **Nil** (31.03.2025 Rs. Nil).

Note 44 : Asset Classified as Held for Sale:

The Company, during the year ended 31.03.2024, has terminated the lease with Kandagiri Spinning Mills Limited. On account of termination of lease with Kandagiri Spinning Mills Limited, assets held at the leased premises have been classified as Assets held for sale as per Ind AS 105 'Non-Current Assets Held for Sale and Discontinued Operations'. The carrying amount of Rs. 310.09 lakhs (31.03.2025 - Rs.310.09 Lakhs) has been disclosed under the head "Assets classified as held for Sale".

The Company has not charged depreciation to an extent of Rs. 71.12 lakhs during the year ended 31.03.2026 on these assets in accordance with Ind AS 105.

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025

Note 45 : Segment Information for the year ended 31.03.2026

The Company is primarily engaged in the business of manufacturing and sale of yarn and related products, which is considered as single business segment based on nature of products, risk, returns and internal reporting business systems. Accordingly, there are no other reportable segments in terms of Ind AS 108 "Operating Segments".

Geographical Segment Information		
India	**24,870.47**	26,244.53
Outside India	**1,495.98**	603.57
	26,366.45	26,848.10

All non-current assets of the Company are located in India

There is no transactions with single external customer which amounts to 10% or more of the Company's revenue.

Note 46 : Related Party Disclosures as required under IND AS - 24:

a) List of Related Parties :

I. Key Management Personnel (KMP):

1. S. Devarajan - Chairman and Managing Director
2. S. Jegarajan - Joint Managing Director
3. S. Dinakaran - Joint Managing Director
4. D. Niranjan Kumar – Director – Marketing
5. J. Sakthivel – Director -Technical
6. P. Boopalan - Chief Financial Officer
7. S. Natarajan - Company Secretary

II. Relatives of Key Management Personnel :

1. S. Devarajan – HUF
2. S. Jegarajan – HUF
3. S. Dinakaran - HUF
4. D. Anupama
5. D. Sudharsan - Non Executive Director
6. S. Kandaswarna
7. D. Manjula
8. D. Minusakthipriya
9. J. Ramya
10. D. Rathipriya
11. V. Valarnila
12. Parameshwari Jegarajan
13. V. Akcchaya

III. Associate Companies

1. SPMM Health Care Services Private Limited - Associate Company

IV. Enterprises in which Key Management Personnel or their relatives have a significant influence:

1. Sambandam Siva Textiles Private Limited
2. S. Palaniandi Mudaliar Charitable Trust
3. Sambandam Spinning Mills Gratuity Trust
4. Sambandam Fabrics Private Limited

Note :

As per sec 149(6) of Companies Act, 2013 Independent Directors are not considered as KMP. Also considering the roles & functions of Independent Director stated under Schedule IV of Companies Act 2013 they have not been considered as KMP for the purpose of disclosure requirement as per Ind AS 24 Related Party.

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

b) Details of Transactions with Related Parties :

Name of Related Party	Nature of Transaction	2025 - 26	2024 - 25
Sambandam Siva Textiles Private Limited	Sale of Wind Power	**120.58**	109.54
	Sale of Milk	**–**	5.15
	Sale of Fibre	**–**	0.15
	Purchase of goods	**–**	21.80
	Purchase of Agricultural product	**5.53**	5.38
	Jobwork done to SSTPL	**0.59**	0.52
	Purchase of food for canteen	**–**	6.21
	Purchase of Polyster Staple Fibre	**6.74**	0.15
	Reeling Charges	**5.64**	–
	Receivable at the end of the year	**93.68**	16.75
S. Palaniandi Mudaliar Charitable Trust	Availing of Hospital services	**32.46**	22.20
	Sale of Milk	**0.09**	9.83
	Receivable / (Payable) at the end of the year	**–**	1.76
Sambandam Fabrics Private Limited	Corporate Guarantee received in favour of CSB Bank towards loans availed by the Company	**2,435.00**	2,435.00
	Rent Paid	**1.20**	1.20
S. Devarajan - Chairman and Managing Director	Interest Payment	**5.17**	14.98
	Remuneration	**120.00**	120.00
	Receipt of unsecured borrowings	**55.00**	92.00
	Unsecured borrowings repaid	**17.00**	120.00
	Balances outstanding -Unsecured Borrowings	**60.00**	22.00
S. Devarajan - HUF	Interest Payment - HUF	**1.16**	0.29
	Receipt of unsecured borrowings	**8.00**	–
	Balances outstanding - Fixed deposits - HUF	**11.00**	3.00
S. Jegarajan - Joint Managing Director	Remuneration	**116.40**	116.40
	Interest Payment	**16.52**	9.22
	Receipt of unsecured borrowings	**139.00**	150.00
	Unsecured borrowings repaid	**122.00**	–
	Balances outstanding - Unsecured Borrowings	**173.00**	156.00
S. Jegarajan - HUF	Interest Payment - HUF	**0.86**	0.10
	Receipt of unsecured borrowings	**7.00**	–
	Balances outstanding - Fixed deposits - HUF	**8.00**	1.00
S. Dinakaran - Joint Managing Director	Remuneration	**74.40**	74.40
	Interest Payment	**44.94**	30.65
	Receipt of unsecured borrowings	**120.00**	450.00
	Unsecured borrowings repaid	**160.00**	–
	Balances outstanding - Unsecured Borrowings	**410.00**	450.00
S. Dinakaran - HUF	Interest Payment - HUF	**0.86**	–
	Receipt of unsecured borrowings	**8.50**	–
	Balances outstanding - Fixed deposits - HUF	**8.50**	–
D. Niranjan Kumar - (Director Marketing)	Remuneration	**48.00**	48.00
	Interest Payment	**8.67**	4.73
	Receipt of unsecured borrowings	**–**	70.00
	Balances outstanding - Unsecured Borrowings	**79.00**	79.00
J. Sakthivel - (Director Technical)	Remuneration	**48.00**	48.00
	Interest Payment	**0.50**	0.45
	Balances outstanding - Unsecured Borrowings	**5.00**	5.00

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

Name of Related Party	Nature of Transaction	2025 - 26	2024 - 25
P. Boopalan - Chief Financial Officer	Remuneration	**30.00**	30.00
S. Natarajan - Company Secretary	Remuneration	**16.20**	16.20
D. Anupama	Interest Payment Balances outstanding - Fixed deposits Rent paid Rent advance paid	**1.90** **17.50** **6.00** **3.00**	1.37 12.50 4.95 3.00
S. Kandaswarna	Interest Payment Balances outstanding - Fixed deposits	**0.21** **2.00**	0.18 2.00
D. Manjula	Interest Payment Fixed deposits received Fixed deposits Repaid Balances outstanding - Fixed deposits	**10.83** **13.25** **–** **111.00**	10.03 19.50 25.00 97.75
D. Minusakthipriya	Interest Payment Fixed deposits received Balances outstanding - Fixed deposits	**4.51** **16.00** **47.75**	3.15 4.00 31.75
J. Ramya	Interest Payment Balances outstanding - Fixed deposits	**0.59** **6.00**	0.54 6.00
D. Rathipriya	Interest Payment Balances outstanding - Fixed deposits	**2.80** **25.50**	2.80 25.50
V. Valarnila	Interest Payment Fixed deposits received Balances outstanding - Fixed deposits	**2.96** **–** **28.00**	2.85 3.00 28.00
Parameshwari Jegarajan	Interest Payment Fixed deposits received Balances outstanding - Fixed deposits	**2.12** **20.00** **23.00**	0.28 – 3.00
V. Akcchaya	Interest Payment Fixed deposits received Balances outstanding - Fixed deposits	**0.76** **–** **7.00**	0.39 5.00 7.00
Salem IVF Centre Private Limited	Rent Received Security Deposit - Rent Receivable at the end of the year	**–** **–** **–**	9.00 4.50 0.81

Note : Salem IVF Centre Private Limited has been ceased to Related Party w.e.f 26.06.2024

Details of Remuneration to KMP :

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
Employee Benefits - Remuneration		
Chairman and Managing Director	**120.00**	120.00
Joint Managing Director	**116.40**	116.40
Joint Managing Director	**74.40**	74.40
Director - Marketing	**48.00**	48.00
Director - Technical	**48.00**	48.00
Chief Financial Officer	**30.00**	30.00
Company Secretary	**16.20**	16.20

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements
Note 47 : Details of Non-Current Borrowings/Current Borrowings:

(Rupees in Lakhs)

Particulars	Particulars of Repayment	Year	Non-Current	Current Maturities	Total	Current rate of Interest
I. Secured Borrowings: **a. Term Loans from Banks**						
Karnataka Bank - Covid Loan	23 monthly instalment of Rs. 1.97 lakhs each and 1 monthly instalment of Rs 1.85 lakhs	**As at 31.03.2026** As at 31.03.2025	**23.58** 47.22	**23.64** 23.61	**47.22** 70.83	**9.07%** 9.25%
Canara Bank - Term Loan GM Solar	32 monthly instalment of Rs. 31.50 lakhs each and 1 monthly instalment of Rs. 31.55 lakhs	**As at 31.03.2026** As at 31.03.2025	**661.52** 1,039.52	**378.00** 378.01	**1,039.52** 1,417.53	**11.80%** 9.20%
Canara Bank - GECL 1	Loan Settled during the year	**As at 31.03.2026** As at 31.03.2025	**–** –	**–** 143.33	**–** 143.33	**8.90%** 9.25%
Canara Bank - GECL 2	24 monthly instalment of Rs. 6.82 lakhs each	**As at 31.03.2026** As at 31.03.2025	**81.80** 163.56	**81.75** 81.78	**163.55** 245.34	**8.60%** 9.25%
Canara Bank Term Loan	Term Loan of Rs. 1235 Lakhs sanctioned and availed Rs. 491.51 Lakhs during the year with tenor of 48 monthly instalments which commences from April 2027	**As at 31.03.2026** As at 31.03.2025	**491.51** –	**–** –	**491.51** –	**8.50%** –
CSB Term Loan 3	29 monthly instalment of Rs. 2.45 lakhs each	**As at 31.03.2026** As at 31.03.2025	**41.51** 68.45	**29.40** 29.34	**70.91** 97.79	**10.31%** 10.30%
CSB Term Loan 4	29 monthly instalment of Rs. 9.43 lakhs each and 1 monthly instalment of Rs. 7.15 lakhs	**As at 31.03.2026** As at 31.03.2025	**167.49** 266.51	**113.16** 113.17	**280.65** 379.68	**10.41%** 10.30%
CSB WCTL	32 monthly instalment of Rs. 9.29 lakhs each and 1 monthly instalment of Rs. 0.08 lakhs	**As at 31.03.2026** As at 31.03.2025	**185.85** 297.33	**111.48** 111.50	**297.33** 408.83	**9.25%** 9.25%
HDFC Bank Covid Loan	Loan Settled during the year	**As at 31.03.2026** As at 31.03.2025	**–** –	**–** 44.23	**–** 44.23	**–** 9.25%
HDFC Bank - Solar TL	16 monthly instalment of Rs. 24.99 lakhs each	**As at 31.03.2026** As at 31.03.2025	**99.95** 399.82	**299.88** 299.87	**399.83** 699.69	**9.24%** 9.55%
HDFC Bank - GECL	34 monthly instalment of Rs. 2.02 lakhs each and 1 monthly instalment of Rs. 0.04 lakhs	**As at 31.03.2026** As at 31.03.2025	**44.47** 68.71	**24.24** 24.25	**68.71** 92.96	**9.00%** 9.00%
HDFC Bank Car Loan	Loan settled during the year	**As at 31.03.2026** As at 31.03.2025	**–** –	**–** 0.97	**–** 0.97	**–** 8.70%

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements **(Rupees in Lakhs)**

Particulars	Particulars of Repayment	Year	Non-Current	Current Maturities	Total	Current rate of Interest
ICICI Bank Working Capital Term Loan	Working Capital Term Loan of Rs.900 Lakhs availed during the year with the tenor of 120 Monthly Instalments 118 Monthly Instalments of Rs. 7.50 Lakhs each	**As at 31.03.2026** As at 31.03.2025	**795.00** –	**90.00** –	**885.00** –	**8.50%** –
ICICI Bank Car Loan	Monthly Instalments - 2026-27 - Rs. 7.35 lakhs 2027-28 - Rs. 5.52 lakhs 2028-29 - Rs. 2.45 lakhs	**As at 31.03.2026** As at 31.03.2025	**7.97** 15.32	**7.35** 7.63	**15.32** 22.95	8.50%
ICICI Bank Car Loan	Monthly Instalments - 2026-27 - Rs. 3.23 lakhs 2027-28 - Rs. 2.42 lakhs 2028-29 - Rs. 1.08 lakhs	**As at 31.03.2026** As at 31.03.2025	**3.50** 6.73	**3.23** 3.34	**6.73** 10.07	8.50%
South India Bank Covid Loan 1	Loan settled during the year	**As at 31.03.2026** As at 31.03.2025	**–** –	**–** 17.77	**–** 17.77	9.25%
South India Bank Covid Loan 2	23 monthly instalment of Rs. 1.27 lakhs each and 1 monthly instalment of Rs. 1.31 lakhs	**As at 31.03.2026** As at 31.03.2025	**15.10** 30.36	**15.24** 15.25	**30.34** 45.62	9.25%
South India Bank Term Loan	4 monthly instalment of Rs. 8.33 lakhs each and 1 monthly instalment of Rs. 3.31 lakhs	**As at 31.03.2026** As at 31.03.2025	**–** 35.39	**34.72** 100.00	**34.72** 135.39	**–** 9.50%
Sub-Total		**As at 31.03.2026** As at 31.03.2025	**2,619.25** 2,438.92	**1,212.09** 1,394.05	**3,831.34** 3,832.97	**–** –

Particulars	Particulars of Repayment	Year	Non-Current	Current Maturities	Total	Current rate of Interest
II. Unsecured Borrowings Fixed Deposits - Members	Repayable on - 2025-26 - Rs. 146.60 lakhs 2026-27 - Rs. 251.25 lakhs	**As at 31.03.2026** As at 31.03.2025	**871.36** 709.91	**218.65** 247.90	**1,090.01** 957.81	**10 to 11%** 10 to 11%
From Directors	Repayable on - 2025-26 - Rs. 17.00 lakhs 2026-27 - Rs. 59.00 lakhs	**As at 31.03.2026** As at 31.03.2025	**467.00** 702.00	**3.00** 15.00	**470.00** 717.00	**10 to 11%** 10 to 11%
Interest free Unsecured Loan From Directors		**As at 31.03.2026** As at 31.03.2025	**262.00** –	**–** –	**262.00** –	**10 to 11%** –
Sub-Total		**As at 31.03.2026** As at 31.03.2025	**1,600.36** 1,411.91	**221.65** 262.90	**1,822.01** 1,674.81	**–** –

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements **(Rupees in Lakhs)**

Notes :
1. Term loans aggregating to Rs. 3809.29 lakhs (31.03.2025 : Rs. 3798.98 lakhs,) are secured by a first charge on paripassu basis on all Property, Plant and Equipment and second charge on paripassu basis on all current assets.
2. Term loans from banks aggregating to Rs 22.05 lakhs (31.03.2025 Rs 33.99 lakhs) are secured by hypothecation of certain cars.
3. All the above loans are guaranteed by four directors.
4. CSB Bank, TL 1 to TL 4 loans are secured by extending Corporate Guarantee received from Kandagiri Spinning Mills Limited and Sambandam Fabrics Private Limited (Related party) and also additionally secured with the equitable mortgage of land pertaining to Kandagiri Spinning Mills Limited and Land pertaining to Sambandam Fabrics Private Limited.

Details of Current Borrowings

Particulars	Particulars of Repayment	Year	Non-Current	Current Maturities	Total	Current rate of Interest
I. Secured Borrowings :						
a. Cash Credit Facilities						
Karnataka Bank	On Demand	**As at 31.03.2026**	**–**	**824.78**	**824.78**	
		As at 31.03.2025	–	804.55	804.55	10.05%
HDFC Bank	On Demand	**As at 31.03.2026**	**–**	**987.32**	**987.32**	
		As at 31.03.2025	–	972.02	972.02	9.25%
Canara Bank	On Demand	**As at 31.03.2026**	**–**	**2,844.75**	**2,844.75**	
		As at 31.03.2025	–	2,737.05	2,737.05	9.20%
South India Bank	On Demand	**As at 31.03.2026**	**–**	**509.66**	**509.66**	**–**
		As at 31.03.2025	–	518.79	518.79	9.20%
b. Overdraft against Fixed Deposit						
ICICI Bank	Overdraft against Fixed Deposit	**As at 31.03.2026**	**–**	**44.13**	**44.13**	
		As at 31.03.2025	–	–	–	–
c. Export Packing Credit						
Canara Bank		**As at 31.03.2026**	**–**	**–**	**–**	
	Export Packing Credit	As at 31.03.2025	–	83.04	83.04	6.04%
Sub-Total		**As at 31.03.2026**	**–**	**5,210.64**	**5,210.64**	**–**
		As at 31.03.2025	–	5,115.45	5,115.45	–

Notes :
1. Cash Credit Facilities are secured by a first charge on the Company's current assets and by a second charge on the Company's Property, Plant and Equipment excluding the charges.
2. All the above loans are guaranteed by four directors.

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

	Particulars	As at 31.03.2026	As at 31.03.2025

Note 48 : Leases

The Lease arrangements subsisting as on that date and eligible for recognition as Right to Use assets under Ind AS 116 are disclosed in Note No 2 to the Consolidated financial statements. All other lease arrangements as on that date were either Low value asset or short term leases and are recognised as an expenses in the Statement of Profit and Loss.

The following are the disclosures in terms of Ind AS 116:

	Particulars	As at 31.03.2026	As at 31.03.2025
A.	**Right of Use Asstes**		
	Opening Balance	**26.52**	31.17
	Additions during the year	**4.62**	3.72
	Deletions during the year	**–**	–
	Depreciation during the year	**10.98**	8.37
	Withdrawn	**–**	–
	Closing Balance	**20.16**	26.52
B.	**Movement in Long term lease liabilities during the year**		
	Opening Balance	**29.47**	33.39
	Additions during the year	**4.62**	3.72
	Finance Cost accrued during the year	**2.72**	3.35
	Payment of lease liabilities	**13.98**	10.98
	Lease liability reversed	**–**	–
	Closing Balance	**22.83**	29.47
C.	**Following is the breakup of Current and Non-Current Lease liabilities**		
	Lease liablities - Non Current	**10.87**	20.10
	Lease liablities - Current	**11.96**	9.37
		22.83	29.47
D.	**Contractual maturities of lease liabilities on an undiscounted basis:**		
	Maturity analysis of future lease payments :		
	Not later than 1 year	**13.59**	12.04
	Later than 1 year but not later than 5 years	**14.49**	22.26
	Later than 5 years	**–**	–
		28.08	34.30
E.	**Other disclosures as per Ind AS 116:**		
a.	Carrying value of Right of Use of (ROU) asset (Note 2)	**20.16**	26.52
b.	Depreciation charge for ROU asset (Note 34)	**10.98**	8.37
c.	Interest Expense on Lease liability (Note 33)	**2.72**	3.35
d.	Total Cash flow during the year for leases (Cash flow statement)	**13.98**	10.98
e.	Additions to ROU (Other than upon transition) (Note 2)	**4.62**	3.72
f.	Lease Liabilities classified as Current Lease Liabilities (Note 23)	**11.96**	9.37
g.	Lease Liabilities outstanding (Non-Current) (Note 18)	**10.87**	20.10

Expenses relating to leases of low value assets and variable lease payments not included in the measurement of lease liabilities of Rs. 0.05 lakhs (2024-25 : Rs. 0.66 lakhs) are shown under other expenses

Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease arrangements do not impose any convenants excepts that the Company cannot provide the leased as security for its borrowings, etc., nor can it be subleased without the permission of the lessor.

The lease payments are discounted using the Company's incremental borrowing rate, the rate that the Company would have to pay to borrow funds necessary to obtain as asset of similar value to ROU asset in similar economic environment with similar terms, security and conditions.

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Note 49 : Revenue from Contract with Customers (Ind AS 115)		
I. Disaggregated revenue information		
Type of goods and service		
Sale of products		
Yarn	**25,394.03**	25,839.86
Fabric sales	**–**	8.65
Process waste	**776.91**	861.78
Other Operating revenues	**195.51**	137.81
Total Revenue from Contract with Customers	**26,366.45**	26,848.10
India	**24,870.47**	26,244.53
Outside India	**1,495.98**	603.57
Total Revenue from Contract with Customers	**26,366.45**	26,848.10

Timing of Revenue Recognition

Particulars	31.03.2026		31.03.2025	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Sale of products and Other Operating revenues	**26,366.45**	–	26,848.10	–
Less : Rebates and Discounts	**–**	–	–	–
Total Revenue from contract with customers	**26,366.45**	–	26,848.10	–

II. Contract balance

Particulars	31.03.2026	31.03.2025
Trade receivables	**1,815.25**	2,160.95
Contract Assets / Liabilities	**–**	–

Trade receivables are non-interest bearing and are generally on approval terms

III. Reconciliation of Revenue recognised in the Statement of Profit and Loss with the Contracted price:

Particulars	31.03.2026	31.03.2025
Revenue as per contracted price	**26,366.45**	26,848.10
Adjustments:-		
Rebates and discounts	**–**	–
Revenue from Contract with Customers	**26,366.45**	26,848.10

Note 50 : Disclosure as required under section 186(4) of the Companies Act, 2013:

The Company has not made any fresh investments, given loans or advances or provided secuirty or guarantee during the current year. The carrying value of investments made in earlier years by the Company as at 31.03.2026 is Rs. 202.27 lakhs (31.03.2025 Rs. 201.57 lakhs)

Note 51 : Details of Corporate Guarantee:

(a) M/s. Sambandam Fabrics Private Limited has given Corporate guarantee of Rs. 2435 lakhs to CSB bank for the loan availed by the Company and also extended its immovable properties as collateral security for the above loan.

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025

Note 52 :

During the financial year 2017-18, the Company's management has identified embezzlement of funds by an employee of the Company whose services have been terminated. The above has also been intimated to BSE Limited an necessary disclosures made under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 vide letter dated November 21, 2017.

The Company, on considering the recovery procedures and status of the case has made 100% Provision against the Total Receivable. (Refer Note. 7)

Note 53 : Net Debt Reconciliation

Cash and Cash Equivalents	**18.06**	4.65
Current Borrowings (including current maturities of Non Current Borrowings)	**(7,377.58)**	(7,316.84)
Non Current Borrowings	**(6,498.14)**	(4,583.56)
Net Debt	**(13,857.66)**	(11,895.75)

Particulars	Other Assets	Liabilities from financing activities		Total
	Cash and Cash Equivalents	Non current borrowings	Current Borrowings	
Net Debt as at March 31, 2025				(11,895.75)
Cash Flows	13.41	(1,914.58)	(60.74)	(1,961.91)
Net Debt as at March 31, 2026	**13.41**	**(1,914.58)**	**(60.74)**	**(13,857.66)**

Note 54 : Financial Instruments

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. Capital includes paid up Equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company. Debt refers to Long Term Borrowings, Short Term Borrowings and interest accrued thereon for the purpose of Capital Management of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product, other strategic investment plans. The funding requirements are met through equity, non-convertible debt securities, and other long-term/short-term borrowings.

The capital structure of the Company consists of net debt (Borrowings as detailed in Notes 17 and 22 offset by cash and cash equivalents) and total equity of the Company. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

A) Financial Instruments by Categories

Gearing Ratio :

Debt	**13,875.72**	11,900.40
Less: Cash and Cash Equivalents	**18.06**	4.65
Net Debt	**13,857.66**	11,895.75
Total Equity	**8,014.85**	8,579.07
Net Debt to Total Equity ratio	**1.73**	1.39

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Categories of Financial Instruments:		
I. Financial Assets		
a. Measured at Amortised cost:		
Trade Receivables	**1,815.25**	2,160.95
Cash and Cash Equivalents	**18.06**	4.65
Other Bank Balances	**205.96**	196.01
Investments in Associates	**199.00**	199.00
Other Financial Assets	**677.76**	502.39
Total	**2,916.03**	3,063.00
b. Mandatorily measured at FVTPL:		
Investments other than Associates	**3.27**	2.57
Total	**3.27**	2.57
II. Financial Liabilities		
a. Measured at Amortised cost:		
Borrowings	**13,875.72**	11,900.40
Lease Liabilities (Ind AS 116)	**22.83**	29.47
Trade Payables	**2,409.17**	2,398.31
Other Financial Liabilities	**970.83**	1,560.66
Total	**17,278.55**	15,888.84

B) Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's Financial Assets and Financial Liabilities:

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/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)

As at March 31, 2026

Particulars	Fair Value as on 31.03.2026	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Financial Assets measured at FVTPL Investments in other than Associates	3.27	3.27	–	–

As at March 31, 2025

Particulars	Fair Value as on 31.03.2025	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Financial Assets measured at FVTPL Investments in other than Associates	2.57	2.57	–	–

Financial Risk Management Objectives

The treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including interest rate risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025

Market risk

Market risk is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realisable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at floating interest rates.

Interest rate sensitivity analysis:

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2026 would decrease/increase by Rs. 22.55 Lakhs (March 31, 2025: decrease /increase by Rs. 22.29 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

C. Equity price risk

Equity price risk is related to the change in market reference price of the investments in equity securities. The fair value of some of the Company's investments in available-for-sale securities exposes the Company to equity price risks. In general, these securities are not held for trading purposes. The details of such investments in equity instruments are given in Note No. 5.

Equity price sensitivity analysis

The fair value of equity instruments as at March 31, 2026 was Rs. 202.09 Lakhs (March 31, 2025: Rs. 202.09 Lakhs). A 5% change in prices of equity instruments held as at March 31, 2025 would result in an impact of Rs. 0.16 Lakhs on equity (March 31, 2025 : Rs. 0.13 Lakhs).

Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rate. The Company's exposure to the risk of changes in foreign exchange rate relates primarily to the Company's foreign currency denominated financial assets and financial liabilities.

The Company does not have foreign currency exposure at the end of the reporting period.

Liquidity risk management:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables :

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of Financial Liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
31.03.2026				
Trade Payables	2,409.17	–	–	2,409.17
Other Financial Liabilities	965.60	5.23	–	970.83
Lease Liabilities (Ind AS 116)	11.96	10.87	–	22.83
Borrowings	7,377.58	6,498.14	–	13,875.72
	10,764.31	**6,514.24**	**–**	**17,278.55**

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements (Rupees in Lakhs)

Particulars	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
31.03.2025				
Trade Payables	2,398.31	–	–	2,398.31
Other Financial Liabilities	1,555.43	5.23	–	1,560.66
Lease Liabilities (Ind AS 116)	9.37	20.10	–	29.47
Borrowings	7,316.84	4,583.56	–	11,900.40
	11,279.95	**4,608.89**	**–**	**15,888.84**

Note 55 : Additional Regulatory Information:

i) **Title Deeds not held in the name of the Company:**
The title deeds of all Immovable Properties are held in the name of the Company.

ii) **Fair value of Investment Property:**
The Company does not have any investment property as on the reporting date.

iii) **Revaluation of Property, Plant and Equipment:**
The Company has not revalued any of its Property, Plant and Equipment during the year.

iv) **Revaluation of Intangible Assets:**
The Company has not revalued any of its intangible assets during the year.

v) **Loans and advances granted to Promoters, Directors, KMP's and Related parties:**

The Company has not granted any loans to promoters, directors, KMPs and the related parties as defined under Companies Act, 2013 either jointly or severally with any other person that are repayable on demand or without specifying any terms or period of repayment.

vi) **Capital Work-in-Progress:**
The ageing schedule of Capital Work-in-Progress has been disclosed in the Note No. 1 to the Financial Statements.

vii) **Intangible Assets under Development :** Disclosed in Note 1 to the Financial Statements

viii) **Details of Benami Property:**
The Company does not have any Benami property, where any proceedings initiated or pending against the Company for holding any Benami property.

ix) **Reconciliation of Statement of Current Assets filed by the Company with Banks for Working capital facilities availed by the Company:**

The Company has availed working capital facilities in excess of Rs. 5 crores in aggregate during the years. The quarterly stock statements filed by the Company are in agreement with the books of account of the Company.

x) **Wilful Defaulter:**

The Company has not been declared as willful defaulter by any Bank or Financial Institution (as defined under the Companies Act, 2013) or consortium thereof or other Lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

xi) **Relationship with Struck off Companies:**

The Company does not have any transaction with Companies struck off under section 248 of the companies Act, 2013 or section 560 of the Companies Act, 1956

xii) **Registration/Satisfaction of Charges with Registrar of Companies:**

The Company does not have any charges yet to be registered or file the satisfaction of charges with the Registrar of Companies beyond the statutory period

xiii) **Layers of Companies:**

The Company does not have any subsidiary Company as on the balance sheet date. However, the Company has associate companies which is in compliance with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements

xiv) Key Financial Ratios:

S.No.	Particulars	2025-26	2024-25	Change(%)	Reasons
(a)	Current Ratio (in times) [Current Assets / Current Liabilities]	**1.20**	1.05	14.29%	
(b)	Debt-Equity Ratio (in times) [Long term Borrowings + Short Term Borrowings + interest accrued thereon / Shareholder's Equity]	**1.73**	1.39	24.46%	
(c)	Debt Service Coverage Ratio (in times) [Earnings available for Debt service (net profit after tax + Depreciation + Interest and other non cash adjustment / Interest and lease payments + installments]	**0.62**	0.49	26.53%	Due to increase in earnings and reduction on payment of debts
(d)	Return on Equity Ratio (in %) [Net Profit after Taxes / Average Shareholder's Equity]	**(6.92)%**	(8.40)%	17.62%	
(e)	Inventory Turnover Ratio (in times) [Revenue from Operations / Average Inventory]	**3.27**	3.54	(7.63)%	
(f)	Trade Receivables Turnover Ratio (in times) [Revenue from Operations / Average Trade Receivables]	**13.26**	10.55	25.69%	Due to improved collection
(g)	Trade Payables Turnover Ratio (in times) [Total Purchases / Average Trade Payables]	**7.70**	8.14	(5.41)%	
(h)	Net Capital Turnover Ratio (in times) [Revenue from Operations / Working Capital]	**12.00**	44.78	(73.19%)	Due to improvement in working capital management
(i)	Net Profit Ratio (in %) [Net Profit After Taxes / Revenue from Operations]	**(2.18)%**	(2.77)%	21.30%	
(j)	Return on Capital Employes (in %) [Earnings before Interest and Taxes (EBIT) / Capital Employed]	**1.83%**	0.63%	190.48%	Due to Decrease in loss during the year.
(k)	Return on Investment (in %) [Earnings before Interest, Depreciation and Taxes (EBIDTA) / Investment (Total Assets)]	**4.95%**	4.25%	16.47%	

Notes annexed to and forming part of the Consolidated Ind AS Financial Statements

(xvi) Approved Scheme of Arrangements:
During the year, there is no approved scheme of arrangements.

(xvii) Utilisation of Borrowed funds and Share premium:

The Company has not advanced or loaned or invested funds to any other persons or entities including foreign entities (intermediaries) with the understanding that the intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate Beneficiaries) or (b) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from other persons or entities including foreign entities (intermediaries) with the understanding that the intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate Beneficiaries) or (b) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries.

Note 56 :

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date attached
For P.N. Raghavendra Rao & Co
Chartered Accountants
Firm Registration No. : 003328S

Pon Arul Paraneedharan
Partner
Membership No : 212860

Salem
May 23, 2026

For and on behalf of the board

S. Devarajan
Chairman and Managing Director
DIN : 00001910

S. Dinakaran
Joint Managing Director
DIN : 00001932

S. Natarajan
Company Secretary

P. Boopalan
Chief Financial Officer