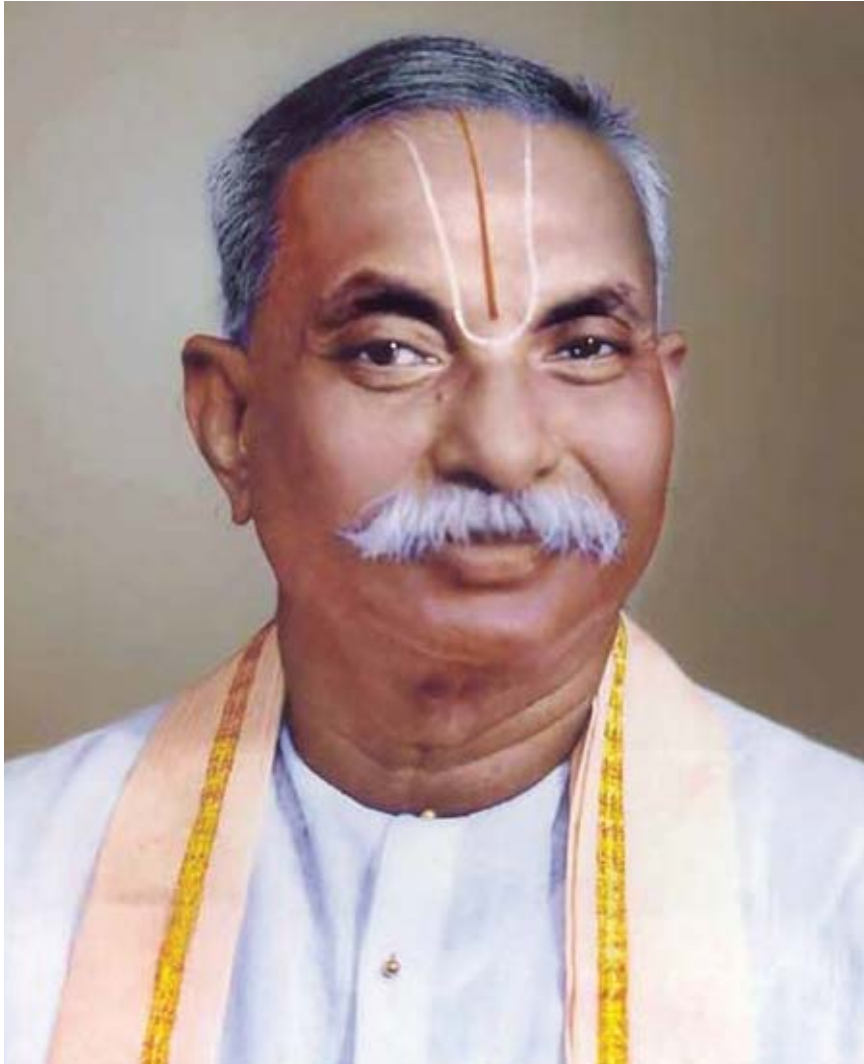


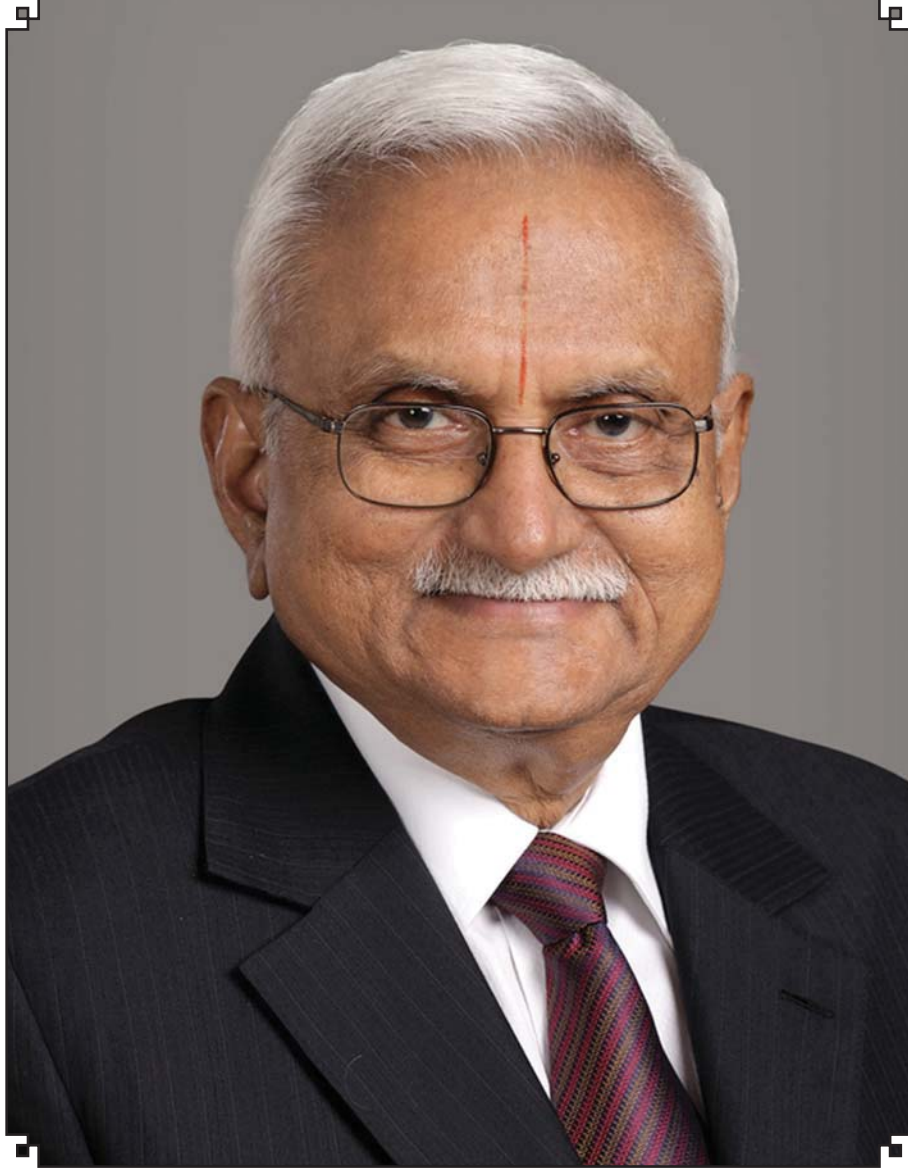


SANDHYA SPINNING MILL LIMITED
RAJAPALAIYAM

FOUNDER



SHRI P.A.C. RAMASAMY RAJA



"Gurubakthamani"
SHRI P.R. RAMASUBRAHMANEYA RAJHA
Sridharmarakshakar - Ramco Group

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

Board of Directors

Shri P.R. VENKETRAMA RAJA, B.Tech., M.B.A.,
Chairman

Smt. B. SRISANDHYA RAJU, B.Sc.,
Managing Director

Smt. R. SUDARSANAM,

Smt. P.V. NIRMALA RAJU, B.E., M.A.,

Shri S. KANTHIMATHINATHAN, M.Tech., M.B.A.,

Shri P.A.S. KRISHNAMMA RAJA, B.Com.,
(Upto 18-05-2026)

Justice Shri P.P.S. JANARTHANA RAJA, B.L.,

Shri P.J. RAMKUMAR RAJHA, B.Com.,
(From 19-05-2026)

Chief Financial Officer

Shri K. GNANESWARAN

Secretary

Smt. E. MOHANALOGAPRIYA

Registered Office

Sandhya Spinning Mill Limited,
No.47, P.S.K. Nagar,
Rajapalayam - 626 108,
Tamil Nadu.
E-mail : sandhya@ramcotex.com
Phone No. : 04563 - 235009

Website

www.sandhyaspinningmill.co.in

Corporate Identification Number

U17111TN1994PLC027037

Auditor

M/s. M.S. Jagannathan & N.Krishnaswami,
Chartered Accountants,
G5, Abirami Apartments,
14, V.O.C. Road,
Cantonment, S.O.,
Trichy – 620 001.

Bankers

DCB Bank Limited
ICICI Bank Limited
IDBI Bank Limited
IDFC First Bank Limited
Kotak Mahindra Bank Limited
Kotak Mahindra Investments Limited
Tamilnad Mercantile Bank Limited
The Karur Vysya Bank Limited
State Bank of India
The Federal Bank Limited

Secretarial Auditor

Shri M.R.L. Narasimha,
'Lotus', 370-A, Alagesan Road,
SB Mission Post,
Coimbatore – 641 011.

Cost Auditor

M/s. SVM & Associates,
AP13, New No.15,
16th Street, 1 Sector,
K.K.Nagar
Chennai - 600 078

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SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE

NOTICE TO THE MEMBERS

Notice is hereby given that, the 32nd Annual General Meeting (AGM) of the Company will be held at 2:30 P.M. on Friday, the 28th August, 2026. This Annual General Meeting is being conducted through Video Conferencing / Other Audio Visual Means, the details of which are provided in the Notes to this Notice. The following are the business that would be transacted at this Annual General Meeting.

ORDINARY BUSINESS – ORDINARY RESOLUTION:

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
“RESOLVED THAT the Company’s Audited Financial Statements for the year ended 31st March, 2026, and the Reports of the Board of Directors’ and Auditor’s thereon be and are hereby considered and adopted.”
2. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
“RESOLVED THAT Smt. R. Sudarsanam (DIN: 00433926), who retires by rotation, be and is hereby re-appointed as a Director of the Company.”
3. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
“RESOLVED THAT Shri S. Kanthimathinathan (DIN: 01124581), who retires by rotation, be and is hereby re-appointed as a Director of the Company.”

SPECIAL BUSINESS – ORDINARY RESOLUTION

4. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
“RESOLVED THAT in accordance with the provisions of Sections 149,150 and 152, Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act), and the Companies (Appointment and Qualifications of Directors) Rules, 2014, Shri P.J.Ramkumar Rajha (DIN: 00487193), appointed as Additional Director of the Company with effect from 19th May, 2026, pursuant to the provisions of Section 161 of the Act, and who holds office upto the date of this Annual General Meeting and being eligible offers himself for the appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to provisions of Section 160 of the Act, signifying his intention to propose the candidature of Shri P.J. Ramkumar Rajha, for the office of Director, be and is hereby appointed as Non-Executive Independent Director of the Company for a term of five (5) consecutive years from the date of his appointment, viz 19th May, 2026.”
5. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 80,000/- (Rupees Eighty Thousand) plus applicable taxes and out-of-pocket expenses payable to M/s. SVM & Associates, Practising Cost Accountants (Firm Registration No. 000536) appointed as the Cost Auditors of the Company by the Board of Directors, for the financial year 2026-27 for auditing the Cost Records relating to manufacture of textile products, be and is hereby ratified and confirmed.”

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE

SPECIAL BUSINESS - SPECIAL RESOLUTION

6. To consider and pass the following Resolution, as a SPECIAL RESOLUTION

“RESOLVED THAT in furtherance to the Special Resolution passed at the Annual General Meeting held on 20th August, 2022 and pursuant to Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the consent of the Company be and is hereby accorded for continuing payment of remuneration to Smt. B. SriSandhya Raju (DIN: 02325596) Managing Director at 5% of the net profits of the Company for the remaining tenure of her appointment upto 31-03-2028.

RESOLVED FURTHER THAT when the Company has no profits or its profits are inadequate, in any financial year, the minimum remuneration for the remaining tenure of her appointment upto 31-03-2028 shall be continued to be paid at Rs. 120 Lakhs per annum along with the following perquisites:

- i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 2025;
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
- iii) Encashment of leave at the end of the tenure; and
- iv) Other perquisites as allowed under Section IV of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be and is hereby authorized to fix the components, quantum and periodicity of the remuneration payable to the Managing Director subject to the aforementioned limits.

RESOLVED FURTHER THAT the remuneration aforesaid shall be exclusive of any fee paid for attending Meetings of the Board or any Committee thereof or for any other purpose, whatsoever as may be decided by the Board as provided in Section 197(5) of the Companies Act, 2013.”

By Order of the Board,
For SANDHYA SPINNING MILL LIMITED,

Rajapalayam
29th May, 2026

P.R. VENKETRAMA RAJA
CHAIRMAN
(DIN: 00331406)

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE

NOTES:

- 1) Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business is annexed hereto.
- 2) The Company has chosen to conduct this Annual General Meeting through Video Conferencing. The Annual General Meeting would be conducted in accordance with the-
 - (i) General Circular No.03/2025 dated 22nd September, 2025, issued by Ministry of Corporate Affairs, Government of India; and
 - (ii) Such other instructions that may be issued by Statutory Authorities.
- 3) The Company would be providing the Central Depository Services (India) Limited's (CDSL) system for the Members to cast their vote through remote e-Voting and participate in the Annual General Meeting through Video Conference.
- 4) Proxy Form is not being sent to Shareholders, as the meeting is being conducted through Video Conference.
- 5) The Company is also releasing a Public Notice by way of advertisement being published in English in Business Line (All editions) and in Tamil in Dinamani (Madurai editions), containing the following information:
 - * Convening of Annual General Meeting through Video Conference in compliance with applicable provisions of the Act.
 - * Date and Time of the Annual General Meeting.
 - * Availability of Notice of the Meeting on the website of the Company and at <http://www.evotingindia.com>.
 - * Reference to the link of the Company's website, providing access to the full annual report.
 - * Requesting the Members who have not registered their e-Mail addresses with the Company, to get the same registered with the Company.
- 6) The cut-off date will be Friday, the 21st August, 2026 for determining the eligibility to vote by remote e-Voting or in the Annual General Meeting.
- 7) Pursuant to Rule 8 of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed / unpaid dividends lying with the Company on the website of the Company (www.sandhyaspinningmill.co.in), as also on the website of The Ministry of Corporate Affairs. The dividend remaining unpaid for a period of over seven years will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Hence, the Members who have not claimed their dividend relating to the earlier year may write to the Company for claiming the amount before it is so transferred to the Fund.

The details of due date for transfer of such unclaimed dividend to the said Fund is:

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	LAST DATE FOR CLAIMING UNPAID DIVIDEND	DUE DATE FOR TRANSFER TO IEPF FUND
31-03-2022 Dividend	20-08-2022	19-08-2029	18-09-2029

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE

- 8) In accordance with Section 124(5) of the Companies Act, 2013, the Company has transferred the unclaimed / unpaid dividend lying with the Company for a period of over seven years, to the Investor Education and Protection Fund (the IEPF) established by the Central Government.
- 9) In accordance with Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more have been transferred by the Company to IEPF. The Shareholders / their legal heirs are entitled to claim the said shares and the dividend so transferred from the IEPF by making an online application in Form No. IEPF-5 to the IEPF Authorities. The procedure is available at www.iepf.gov.in and the website of the Company viz. www.sandhyaspinningmill.co.in and the Form is available at www.mca.gov.in.
- 10) Dispatching of physical copies of the financial statements (including Board's report and Auditor's report or other documents required to be attached therewith), has been dispensed with. Such statements are being sent only by e-mail to the Members and to all other persons so entitled. The Annual Report will also be made available on the Company's Website – www.sandhyaspinningmill.co.in.
- 11) Voting through electronic means:
- A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing Members remote e-Voting facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) and the business may be transacted through such voting, by using the e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
- B. The facility for remote e-Voting shall remain open from 9:00 AM on Tuesday, the 25th August, 2026 to 5:00 PM on Thursday, the 27th August, 2026. During this period, the Members of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off-date, viz., the 21st August, 2026, may opt for remote e-Voting. Remote e-Voting shall not be allowed beyond 5:00 PM on Thursday, 27th August, 2026.
- C. Individual shareholders holding securities in demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants (DP). Shareholders are advised to update their mobile number and e-Mail ID in their demat accounts in order to access e-Voting facility.
- D. Login method for e-Voting and joining the AGM through VC for Individual Shareholders holding securities in Demat mode are given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	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 URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasitoken/home/login or visit https://www.cdslindia.com/ and click on 'Login' icon and select "My Easi New (Token)."
	2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by Company. On clicking

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE

Type of Shareholders	Login Method
	the e-Voting 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 the AGM through VC & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Provider i.e. CDSL, so that the user can visit the e-Voting service provider website directly.
	3) If the user is not registered for Easi / Easiest, option to register is available at: https://web.cdslindia.com/myeasitoken/Registration / EasiRegistration (or) https://web.cdslindia.com/myeasitoken/Registration / EasiestRegistration
	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 https://www.cdslindia.com/ home page. The system will authenticate the user by sending OTP on registered Mobile & e-Mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting 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 DPs	You can also login using the login credentials of your demat account through your DP registered with CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining the AGM through VC & 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 above mentioned website.

- E. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL

Login type	Helpdesk details
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.

- F. Access through CDSL e-Voting system in case of Shareholders holding share in Physical mode and non-individual Shareholder in demat mode.

Login method for e-Voting and joining the AGM through VC for Shareholders holding shares in physical form and for shareholders other than individual shareholders holding in Demat form.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE

1. The Shareholders should log on to the e-Voting website **www.evotingindia.com**
2. To Click on “Shareholders” tab.
3. Now enter your User ID as given below:
 - For CDSL: 16 Digits beneficiary ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in Demat form and had logged on to **www.evotingindia.com** and voted on an earlier e-Voting of any Company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

For Shareholders holding shares in Physical form and Shareholders holding shares in Demat Form other than individual holders

PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company / DP are requested to use the first two letters of their name and the 8 digits of the Folio No. in the PAN field. In case the Folio No is less than 8 digits, enter the applicable number of 0's before the Folio No. to make it 8 digits after the first two characters of the name in CAPITAL letters. Eg. If your name is SAI KAVIN G. with Folio Number 1 then enter SA00000001 in the PAN Field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company, please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction F.

After entering these details appropriately, click on “Submit” tab.

- G. Shareholders holding Shares in physical form will then directly reach the Company selection screen. However, members holding Shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to Share your password with any other person and take utmost care to keep your password confidential.
- H. For Shareholders holding Shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- I. Click on the relevant EVSN for SANDHYA SPINNING MILL LIMITED on which you choose to vote.

NOTICE

- J. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES / NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- K. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolutions.
- L. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- M. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- N. You can also take print out of the votes cast by clicking on “Click here to Print” option on the Voting page.
- O. If demat account holder has forgotten the login password, then Enter the User ID and the Captcha Code and click on Forgot Password & enter the details as prompted by the system.
- P. There is also an optional provision to upload Board Resolution / Power of Attorney if any uploaded, which will be made available to scrutinizer for verification.
- Q. Facility for Non – Individual Shareholders and Custodians – Remote Voting
 - i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the “Corporates” module.
 - ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
 - iii. After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - iv. The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping.
 - v. It is mandatory that scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - vi. Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter, etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at **srinivasan.k@msjandnk.in** and to the Company at the email address viz. **sandhya@ramcotex.com**, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- R. If you have any queries or issues regarding attending the meeting and e-Voting from CDSL e-Voting System, you can write to **helpdesk.evoting@cdslindia.com** or contact at toll free number 1800 210 9911.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE

12) Instructions for shareholders attending the AGM through VC & e-Voting during meeting are as under:

- A. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- B. The Members can join the AGM in the VC mode upto 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC will be made available to Members on first come first served basis. This will not include Members 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.
- C. Members are requested to join the AGM through Laptops / iPads for better experience and will be required to have webcam and use Internet with a good speed to avoid any disturbance during the meeting.
- D. Members are requested to use Stable Wi-Fi or LAN Connection to mitigate Audio/Video loss due to fluctuation in your network. Please avoid connecting through your Mobile Devices or Tablets or through Laptop via Mobile Hotspot.
- E. Members who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request at least 3 days prior to meeting mentioning your name, Demat account number / folio number, e-mail ID, mobile number (as registered with the Depository Participant (DP) / Company) to the mail ID: **sandhya@ramcotex.com**. Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- F. Members who do not wish to speak during the AGM but have queries may send your queries at least 3 days prior to meeting mentioning your name, demat account number / folio number, e-mail ID, mobile number to the mail ID: **sandhya@ramcotex.com**. These queries will be replied by the Company suitably by e-mail.
- G. Non-Individual members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution authorizing their representative to attend on their behalf at the meeting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address with a copy marked to **helpdesk.evoting@cdslindia.com**.
- H. The attendance of the Members attending the AGM through VC will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- I. The link for VC to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- J. Shareholders who have voted through remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- K. Only those shareholders, who are present in the AGM through VC and have not cast 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 available during the AGM.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE

- L. If any votes are cast by the Shareholders through the e-Voting available during AGM and if the some Shareholder have not participated in the meeting through VC, then the vote cast by such Shareholders may be considered invalid as the facility of e-Voting during the meeting is available only to the Shareholders attending the meeting.
- M. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 13) Process for those Shareholders whose e-Mail / Mobile Number are not registered with the Company / DP.
- A. For Physical Shareholders, please submit Form ISR-1 duly filled to Cameo Corporate Services Limited, our Registrar to an Issue and Share Transfer Agent.
- B. For Individual Demat shareholders, please update your e-Mail ID / Mobile Number with your respective DP which is mandatory while e-Voting & joining the AGM through VC through Depository.
- 14) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 21st August, 2026, may obtain the Login ID and Password by following the procedures mentioned in Point No: 11 (D) or (F), as the case may be.
- 15) The voting rights of Shareholders shall be in proportion to the Shares held by them in the paid up equity Share capital of the Company as on Friday, the 21st August, 2026.
- 16) Shri K. Srinivasan, Chartered Accountant (Membership No: 021510), Partner, M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants will act as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- 17) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through e-Voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 2 working days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.
- 18) The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at **www.sandhyaspinningmill.co.in** and on the website of CDSL at **www.evotingindia.com** immediately after the declaration of results by the Chairman or a person authorized by him.
- 19) All grievances connected with the facility for voting by electronic means may be addressed Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A wing, 25th Floor, Marathon futurex, Mafatlal Mill Compounds, N.M. Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an e-mail to **helpdesk.evoting@cdslindia.com** or call toll free no. 1800 210 9911.

By Order of the Board,
For SANDHYA SPINNING MILL LIMITED,

Rajapalayam
29th May, 2026

P.R. VENKETRAMA RAJA
CHAIRMAN
(DIN: 00331406)

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Board of Directors, based on the recommendation of Nomination and Remuneration Committee, had appointed Shri P.J.Ramkumar Rajha (DIN 00487193) as an Additional Director, with effect from 19th May, 2026 in accordance with Sections 149, 150, 152 and 161 read with Schedule IV of the Companies Act, 2013 under the category of Non-Executive Independent Director of the Company.

Shri P.J. Ramkumar Rajha, has Bachelor's degree in Commerce. He is the Managing Director in M/s. Senthur Textiles Private Limited, Rajapalayam. He has a wide knowledge and more than 4 decades of experience in Textile Industry. He is also a Director in the following Companies:

CIN	Name of the Company	Designation
U17115TN1993PTC024975	Senthur Textiles Private Limited	Managing Director
U17100TN1961PLC004457	Madras Chip Boards Limited	Director
U01403TN2013PTC091326	Rajapalayam Precision Farmers Producer Company Limited	Director
U17120TN2014PLC094685	Rajapalayam Textile Limited	Director

He is also a Member in the following Committees:

Name of the Company	Name of the Committee	Position Held (Chairperson / Member)
Rajapalayam Textile Limited	Audit Committee	Chairman of the Committee
	Nomination and Remuneration Committee	Chairman of the Committee

In terms of Section 161 (1) he shall hold office up to the date of forthcoming Annual General Meeting and is eligible and offers himself to be appointed as Non-Executive Independent Director of the Company.

The Company has received notice under Section 160 of the Companies Act, 2013, from Shri P.R. Venketrama Raja signifying the candidature of Shri P.J.Ramkumar Rajha as Independent Director of the Company. The Company has also received declaration of independence from Shri P.J.Ramkumar Rajha.

Shri P.J. Ramkumar Rajha is proposed to be appointed as Non-Executive Independent Director of the Company for a term of five (5) consecutive years from the date of his appointment viz 19th May 2026, not liable to retire by rotation. In the opinion of the Board Shri P.J.Ramkumar Rajha fulfills the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 and he is independent of the management, of being eligible for appointment as Independent Director. Shri P.J.Ramkumar Rajha is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. He is eligible to receive remuneration by way of sitting fees.

He holds NIL shares in M/s. Sandhya Spinning Mill Limited.

The Board of Directors is of the opinion that his vast knowledge and experience will be of great value to the Company and hence recommends the Resolution for the approval of the Members.

The notice received under Section 160 of the Companies Act, 2013 and a copy of letter of appointment issued to Shri P.J. Ramkumar Rajha as Non-Executive Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE

Except Shri P.J. Ramkumar Rajha being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution.

Item No. 5

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules"), the Company is required to appoint a Cost Auditor to audit the cost records of the Company, relating to manufacture Textile Products for the financial year 2026-27.

On the recommendation of the Audit Committee at its meeting held on 29-05-2026, the Board had approved the appointment of M/s. SVM & Associates, Cost Audit Firm as the Cost Auditor of the Company to audit the Company's Cost Records relating to manufacture of Textile products at a remuneration of Rs. 80,000/- plus applicable taxes and out-of-pocket expenses for the financial year 2026-27.

The remuneration of the Cost Audit Firm is required to be ratified by the Members, in accordance with the provisions of Section 148(3) of Companies Act and Rule 14 of Companies (Audit & Auditors) Rules, 2014.

The Directors recommended the Resolution to the Members for their approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

Item No. 6

Pursuant to the approval of the Shareholders dated 20-08-2022, Smt. B. SriSandhya Raju was re-appointed as Managing Director of the Company for a period of five years, effective from April 1, 2023.

Remuneration as approved at the time of appointment was:

- When the Company earns profits: She shall be paid a remuneration at 5% of the Net Profits of the Company.
- When the Company has no profits or inadequate profits: She shall be paid minimum remuneration of Rs.120 Lakhs per annum, along with applicable perquisites as prescribed under Section IV of Schedule V of the Companies Act, 2013.

As per Schedule V of the Companies Act, 2013, when a company has no profits or inadequate profits it can pay the said minimum remuneration only for a period of three years, beyond which afresh approval of the Shareholders is required to continue the payment of minimum remuneration till the completion of term of appointment.

Due to inadequate profits, the Company has been giving only minimum remuneration to the Managing Director for the last three years and to continue payment of same minimum remuneration till completion of term of appointment upto 31-03-2028, approval of the Shareholders is sought in accordance with Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

Smt. B. SriSandhya Raju has a Bachelor's Degree in Psychology from Osmania University. She has gained knowledge and experience in Textile Industry for more than one decade. She has been on the Board of Sandhya Spinning Mill Limited since 2009. Her Skills / Expertise include Strategy Management, Business Management and General Administration. She has significantly contributed to the Company's strategic direction.

In recognition of her leadership, expertise, and continued contributions, the Nomination and Remuneration Committee, at its meeting held on 29th May, 2026, recommended the continuation of her existing remuneration as given below till the completion of term of appointment upto 31-03-2028. This recommendation was approved by the Board of Directors at its meeting held on the same day, subject to the approval of shareholders:

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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Terms of Remuneration:

- i. When the Company is having profit: 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.
- ii. When the Company is having no profit or inadequate profit: When the Company has no profits or its profits are inadequate, in any financial year, the minimum remuneration for the remaining tenure of her appointment upto 31-03-2028 shall be continued to be paid at Rs.120 Lakhs per annum along with the following perquisites:
 - (i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 2025 or the act in force;
 - (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
 - (iii) Encashment of leave at the end of the tenure; and
 - (iv) Other perquisites as allowed under Section IV of Schedule V of the Companies Act, 2013. In addition to the above remuneration, she will also be eligible for any fee paid for attending Meetings of the Board or Committee thereof or for any other purpose, whatsoever as may be decided by the Board as provided in Section 197(5) of the Companies Act, 2013.

It is proposed to authorise the Nomination and Remuneration Committee to fix the quantum and periodicity of the remuneration payable to the Managing Director subject to the limits mentioned in the Resolution.

The remuneration proposed to be payable to Managing Director is in accordance with Nomination and Remuneration Policy of the Company.

Considering the continuity of Smt. B. SriSandhya Raju as the Managing Director, the Directors recommend the Special Resolution for Members' approval.

None of the Directors and Key Managerial Personnel, except Smt. B. SriSandhya Raju, whose remuneration is being fixed, Shri P.R. Venketrama Raja, Chairman and Smt. P.V. Nirmala Raju, Smt. R. Sudarsanam Director being relatives of B. SriSandhya Raju, may be deemed to be concerned or interested in the Resolution.

I. General Information:

1	Nature of Industry				Textiles
2	Date of Commencement of Business				20-07-1994
3	Financial performance based on given indicators				
Year	Total Revenue (₹ in Crores)	Operating Profit	Profit/(Loss) Before Tax (₹ in Crores)	Profit/(Loss) After Tax (₹ in Crores)	Dividend per Share in ₹
2025-26	240.82	22.90	(10.24)	(8.07)	-
2024-25	249.60	20.51	(15.75)	(11.70)	-
2023-24	258.54	15.93	(22.32)	(16.76)	-
4	Foreign investments or collaborations, if any				NIL

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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II. Information about the appointee:

1	Background Details	Smt. B. SriSandhya Raju aged 39 is a Member of Promoter Group and has been on the Board of the Company since 2009. No. of Shares held in the Company : 3,15,39,767
2	Qualification & Experience	Smt. B. SriSandhya Raju has a Bachelor's Degree in Psychology from Osmania University. She has gained knowledge and experience in Textile Industry for more than one decade. She has been on the Board of Sandhya Spinning Mill Limited since 2009. Her Skills / Expertise include Strategy Management, Business Management and General Administration
3	Past Remuneration	She has been paid a remuneration @ 5% of the net profits of the Company and in case of inadequacy profits, she has been paid minimum yearly remuneration of Rs. 120 Lakhs per annum along with the perquisites prescribed under Schedule V of the Companies Act, 2013.
4	Recognition or awards	-
5	Job profile and her suitability	She has rich experience in Textile Industry for more than a decade.
6	Remuneration proposed	When the Company is having profit: 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013. When the Company is having no profit or inadequate profit: When the Company has no profits or its profits are inadequate, in any financial year, she shall be paid remuneration of ₹ 120 Lakhs per annum along with the following perquisites. (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 2025. (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service (iii) Encashment of leave at the end of the tenure and (iv) Other perquisites as allowed under Section IV of Schedule V of the Companies Act, 2013 She will also be entitled for sitting fees for meetings of the Board or its Committees attended by her.
7	Comparative Remuneration profile	Remuneration is comparable with respect to industry, size of the Company, profile of the position and person.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE

8	Relationship with managerial personnel / Pecuniary relationship directly or indirectly with the Company.	She is daughter of Shri P.R. Venketrama Raja, Chairman, Smt. P.V. Nirmala Raju, Director and granddaughter of Smt. R. Sudarsanam, Director of the Company. She has no pecuniary relationship other than the remuneration, she is entitled to receive. Her transactions with the Company are disclosed under related party transactions
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IV. Other Information:

1	Reasons of loss or inadequate profits	Due to geopolitical challenges and sluggish market conditions.
2	Steps taken or proposed to be taken for improvement.	Various measures have been taken for increasing productivity and reduction of cost viz., power, labor and other fixed cost.
3	Expected increase in productivity and profits in measurable terms	The aforesaid steps taken by the Company are expected to improve the Company's performance and profitability in future.

V. Disclosures:

Corporate Governance	Not applicable
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By Order of the Board,
For SANDHYA SPINNING MILL LIMITED,

Rajapalayam
29th May, 2026

P.R. VENKETRAMA RAJA
CHAIRMAN
(DIN: 00331406)

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Details of Director Seeking Re-appointment at the 32nd Annual General Meeting Pursuant to Secretarial Standards on General Meetings:

Name of the Director	Smt. R. Sudarsanam
Director Identification Number (DIN)	00433926
Age	84 years
Qualification	Smt. R. Sudarsanam aged 84, has specialized knowledge and rich experience in Textile Industry for more than 3 decades.
Experience	She has been on the Board of M/s. Sandhya Spinning Mill Limited, since 1995. She has more than 3 decades of Industrial Experience with specific knowledge in Textiles, Cement and Information Technology Sectors.
Terms and conditions of reappointment	Director liable to retire by rotation, under Section 152(6) of the Companies Act, 2013.
Date of First Appointment to the Board	30-08-1995
Shareholding in the Company as on date	43,400 Equity Shares of ₹ 10/- each
Remuneration	She is eligible for sitting fees for attending Board meetings as applicable to the Directors from time to time.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	She is related to Shri P.R. Venketrama Raja, Chairman, Smt. B. SriSandhya Raju, Managing Director, Smt. P.V. Nirmala Raju, Director. She is not related to any Key Managerial Personnel of the Company.
No. of Meetings of the Board attended during the year	4
Other Directorships as on date	1. Sandhya Spinning Mill Ltd. 2. Sudarsanam Farms Private Limited 3. Rajapalayam Farms Private Limited 4. Sri Saradha Deepa Farms Private Limited 5. Nalina Agricultural Farms Private Limited 6. Sri Nithyalakshmi Farms Pvt Ltd 7. Ramco Pvt Ltd 8. Rajapalayam Textile Limited 9. Ramco Management Pvt Ltd 10. RCDC Securities and Investments Pvt. Ltd.
Memberships and Chairmanships of Committees of other Board	NIL

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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Name of the Director	Shri S. Kanthimathinathan
Director Identification Number (DIN)	01124581
Age	83 years
Qualification & Experience	Shri S. Kanthimathinathan aged 83, has a Master degree in Textiles from Manchester University and F.T.I from Textiles Institute, UK and Master's in Business Administration from Madurai Kamaraj University.
Terms and conditions of reappointment	Director liable to retire by rotation, under Section 152(6) of the Companies Act, 2013.
Date of First Appointment to the Board	16-01-2008
Shareholding in the Company as on date	Nil
Remuneration	He is eligible for sitting fees for attending Board / Committee meetings as applicable to the Directors from time to time.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any Director / Key Managerial Personnel of the Company.
No. of Meetings of the Board attended during the year	4
Other Directorships as on date	Thanjavur Spinning Mill Limited Sri Vishnu Shankar Mills Limited Digvijai Polytex Private Limited Sri Harini Textiles Limited Rajapalayam Textile Limited
Memberships and Chairmanships of Committees of other Board	Details given below

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

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S. No.	Name of the Company	Name of the Committee	Position held (Chairman / Member)
1.	Sandhya Spinning Mill Limited	Audit Committee	Member
2.	Sandhya Spinning Mill Limited	Nomination and Remuneration Committee	Member
3.	Sandhya Spinning Mill Limited	Stakeholders Relationship Committee	Member
4.	Sandhya Spinning Mill Limited	Rights Issue Committee	Member
5.	Thanjavur Spinning Mill Limited	Audit Committee	Member
6.	Thanjavur Spinning Mill Limited	Nomination and Remuneration Committee	Member
7.	Thanjavur Spinning Mill Limited	Stakeholders Relationship Committee	Member
8.	Rajapalayam Textile Limited	Audit Committee	Member
9.	Rajapalayam Textile Limited	Nomination and Remuneration Committee	Member
10.	Sri Vishnu Shankar Mills Limited	Audit Committee	Member
11.	Sri Vishnu Shankar Mills Limited	Nomination and Remuneration Committee	Member

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

NOTICE

Name of the Director	Shri P.J.Ramkumar Rajha
Director Identification Number (DIN)	00487193
Age	64 years
Qualification & Experience	Shri P.J. Ramkumar Rajha, aged 64 years, has Bachelor degree in Commerce. He is the Managing Director in M/s. Senthur Textiles Private Limited, Rajapalayam. He has a wide experience in textile industry since 1984. He has more than 4 decades of experience in Textile Industry.
Terms and conditions of reappointment	Appointment as a Non-Executive Independent Director for term of five (5) consecutive years commencing from 19 th May, 2026 to 18 th May, 2031.
Date of First Appointment to the Board	19-05-2026
Shareholding in the Company as on date	Nil
Remuneration	He is eligible for sitting fees for attending Board / Committee meetings as applicable to the Directors from time to time.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any Director / Key Managerial Personnel of the Company.
No. of Meetings of the Board attended during the year	NA
Other Directorships as on date	M/s. Senthur Textiles Private Limited M/s. Madras Chip Boards Limited M/s. Rajapalayam Precision Farmers Producer Company Limited M/s. Rajapalayam Textile Limited
Memberships and Chairmanships of Committees of other Board	Details given below

S. No.	Name of the Company	Name of the Committee	Position held (Chairman / Member)
1.	Rajapalayam Textile Limited	Audit Committee	Chairman of the Committee
		Nomination and Remuneration Committee	Chairman of the Committee

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their 32nd Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2026.

1. FINANCIAL RESULTS

The financial results for the year ended 31st March, 2026 after charging all expenses but before deducting finance cost and depreciation have resulted in operating profit (EBITDA) of ₹ 2,289.92 Lakhs against ₹ 2,050.74 Lakhs for the previous financial year 2024-25. Summary of Financial Results of the Company is furnished below:

(₹ in Lakhs)

Financial Results	Year ended 31-03-2026	Year ended 31-03-2025
Revenue	24,081.88	24,960.31
Operating Profit: Profit before Interest, Depreciation and Tax (PBITD)	2,289.92	2,050.74
Less: Interest	2,208.43	2,510.81
Profit before Depreciation and Tax (PBDT)	81.49	(460.07)
Less: Depreciation	1,105.10	1,115.84
Profit / (Loss) Before Tax	(1,023.61)	(1,575.91)
Deferred Tax – Liability / (Asset)	(216.84)	(405.78)
Profit / (Loss) after Tax	(806.77)	(1,170.13)

2. SHARE CAPITAL

The Paid-up Capital of the Company is ₹ 3,561.82 Lakhs (Previous Year: ₹ 3,561.82 Lakhs) consisting of the following:

- 3,26,18,181 Nos. Equity Shares of ₹ 10/- each and
- 30,00,000 Nos. 7.50% Cumulative Redeemable Preference Shares of ₹ 10/- each.

3. DIVIDEND

In view of losses as at 31-03-2026, your Directors were unable to recommend any dividend for the current year on the Equity Shares as well as on the Preference Shares and also your Directors have not made any provisions for payment of Dividend for the Preference Share Capital.

DIRECTORS' REPORT

4. TAXATION

The Company has opted to pay tax under Section 115BAA of the Income Tax Act, 1961. The Company is not liable to pay income tax this year in view of the losses in current year and not provided any amount towards current tax provision. Deferred Tax Assets provided for ₹ 258.09 Lakhs (PY: ₹ 41.25 Lakhs) for the current year.

5. MANAGEMENT DISCUSSION AND ANALYSIS

TRADE CONDITIONS

5.1 COTTON

The cotton production in India during the cotton season 2024-25 was 313 Lakh bales (170 Kgs), compared to 327 Lakh bales, a drop of 4% due to reduction in acreage.

At the beginning of the cotton season 2025-26, the CAI estimated the cotton crop for the new season to be 305 Lakh bales (compared to the previous year's 313 Lakh bales). However, the revised estimate of cotton arrivals reached to 320 Lakh bales. The Cotton Corporation of India (CCI) covered 91 Lakhs bales during Cotton season 2025-26 (as on 05-02-2026) and further increased the MSP price per quintal of medium staple cotton and long staple cotton by 8%. Despite some price correction in cotton, the fall in yarn prices was much sharper, leading to a wider disparity that affected the margins of yarn spinners across India

International Cotton prices were traded in the range of 74.05 US cents per LB to 78.81 US cents per LB compared to domestic cotton which traded in the range of 78.75 US cents per LB to 81.50 US cents per LB.

The company strategically shifted its focus to more value-added counts, and imported more high-quality cotton when prices were at reasonable levels. This strategy helped the company procure diversified varieties of cotton from across the globe and offer competitive prices for its yarn. Government of India in order to enhance availability of raw cotton in domestic market, to stabilize cotton price and to reduce input cost had allowed import duty exemption on cotton from 30-09-2025 to 31-12-2025.

5.2 YARN PRODUCTION

The production volume has increased to 58.39 Lakhs Kgs during the financial year 2025-26 as against 54.36 Lakhs Kgs of last year due to better capacity utilization.

5.3 SALE OF YARN

During FY 2025-26, the Company's sale's volume was 58.70 Lakh Kgs as against 55.51 Lakh Kgs sold in the previous year. The sale value of yarn decreased to ₹ 236.25 Crores during the FY 2025-26 as compared to ₹ 244.33 Crores of previous year.

Due to geopolitical challenges and sluggish market demand for cotton yarn, there was severe hit in margins for Spinning Mills. This situation forced many spinning mills across India to operate at lower capacity, with many spinning mills cutting down their production due to huge losses in yarn production. However, the Company's focus on producing a flexible and wide range products helped it to protect its sales volume during this sluggish period. Further, the red sea crisis has caused significant impact on Exports resulting higher freight cost, insurance cost and shipping delays.

DIRECTORS' REPORT

The Company's focus on strengthening its infrastructure to produce diverse products, including various high-quality value-added yarn and collaborating with customers to manufacture innovative products helped it maintain capacity utilization and sales volume in export market. Sales volume of value-added yarn such as Mercerized, Gassing, High twist, Bleached and Core yarn.

5.4 EXPORTS

The Company has made export of Cotton Yarn (including merchant exports) during the financial year 2025-26 with a value of Rs.72.99 Crores compared to Rs. 92.17 Crores in the previous year. The Company's focus on Product enhancement through technology advancement, traceability of entire production process, continuous customer-centricity and production of unmatched quality helped it to maintain export volume.

5.5 POWER COST

During the financial year 2025-26, the Company was able to consume power from its own wind farms to the extent of 48% (PY: 40%) of the total power requirement. The power cost decreased during the financial year 2025-26 to Rs.19.64 Crores, compared to Rs. 23.31 Crores in the previous year, due to better wind velocity and in order to mitigate the higher power cost, the Company made arrangements with Solar Power developers for supply of 7.20 MW of power on long term basis at a fixed cost under group captive arrangement, which is cheaper as compared to TNEB's Rate.

5.6 FINANCE COST

The finance cost of the Company decreased to Rs. 22.08 Crores during the financial year 2025-26 from Rs. 25.11 Crores in the previous financial year, due to better working capital management.

6. PROSPECTS FOR THE CURRENT YEAR

The volatility in cotton prices continues, with prices of both cotton and yarn experiencing wide fluctuations. According to data published by the Foreign Agricultural Service of USDA, world cotton production for the 2026-27 season is expected to decrease by 5% on account of lower projection in production for Australia, Brazil, China, Pakistan, Turkey, and United States. However, global cotton consumption is projected to grow by 1.33% on account of larger global cotton supplies, replenishment of inventories across the textile and product supply chain, and prospects for global economic growth.

India-UK Free Trade Agreement signed on May, 2025 opens new Export opportunities for Textile Industry. Similarly, India-Europe Free Trade Agreement hailed as "Mother of all deals" has been signed on January, 2026 which is a strategic breakthrough in India's Global Trade engagement.

The company is continuously monitoring various process parameters and implementing various system controls to deliver consistent quality yarn and fabric to end customers and leading brands. Strengthening its product lines with more value-added customized yarn counts such as Mercerized Yarn, Linen Yarn, and Core Yarn will help the company 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. The company's efforts to adopt sustainable manufacturing processes, including the reuse of water, zero-liquid-discharge systems, and bio-treatment of wastewater for recycling, ensure environmental sustainability, positioning the company among the top-rated textile companies globally. The Company has secured "A Grade" in Social Audit Compliances and leading brands in domestic and

DIRECTORS' REPORT

international markets are approaching the company for sourcing yarn. The Company is confident that these measures will contribute to decent growth in its top line and sustainable profitability in the years ahead.

7. WIND MILL

The Company has windmills with installed capacity of 10.95MW for its captive power consumption. During the financial year 2025-26, the wind farm generated 216 Lakhs Kwh, which is higher than 171 Lakhs Kwh generated in the previous year. This was due to good wind velocity during the current year. All the units generated by the windmills were adjusted for captive consumption at our mill. The income generated by the windmill division during the year was Rs. 16.84 Crores, as compared to Rs. 12.88 Crores in the previous year.

8. INTERNAL FINANCIAL CONTROLS

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy by means of Policies and Procedures commensurate with the size & nature of its operations and pertaining to financial reporting. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements. The ERP System developed by Ramco Systems Limited has been installed for online monitoring of all functions and management information reports are being used to have better internal control system and to make timely decisions.

9. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In compliance with Section 177(9) and (10) of the Companies Act, 2013, the Company has established a Vigil Mechanism and Whistle Blower Policy.

10. THE DETAILS OF DIRECTOR OR KMP WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Shri. P.A.S.Krishnama Raja (DIN: 00487322) ceased to be a Non-Executive independent director of the Company upon completion of his second term of five consecutive years with effect from close of business hours on 18th May, 2026.

Subsequently, based on the recommendations of the Nomination and Remuneration Committee the Board of Directors have appointed Shri.P.J.Ramkumar Rajha (DIN: 00487193) as an Additional Director of the Company in the capacity of Independent Director for a period of 5 (five) consecutive years w.e.f. 19-05-2026 to 18-05-2031.

As per the provisions of Section 161 of the Companies Act, 2013, an additional director can hold office upto the next AGM of the Company. It is proposed to regularise the appointment of Shri.P.J.Ramkumar Rajha (DIN: 00487193) as an Independent Director to hold office for period of 5 (five) consecutive years from 19-05-2026 to 18-05-2031 at the ensuing AGM. Hence, his name along with brief profile be included in the Notice of the Annual General Meeting.

In the opinion of the Board, the above Independent Director possess integrity, expertise and experience for being appointed as an Independent Director.

According to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company, the following Directors will retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment:

DIRECTORS' REPORT

1. Smt.R.Sudarsanam (DIN: 00433926)
2. Shri.S.Kanthimathinathan (DIN: 01124581)

Pursuant to Rule 8(5)(iii) of Companies (Accounts) Rules, 2014, there have been no changes in the Directors or Key Managerial Personnel during the year, except as mentioned above.

The Independent Directors hold office for a fixed term of 5 years from the date of their appointment and are not liable to retire by rotation.

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013, stating that they meet the independence criteria provided in Section 149(6) of the Companies Act, 2013.

Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013. The Company has formulated a Code of Conduct for the Directors and Senior Management personnel, which has been complied with.

The Audit Committee has three members, out of which two are Independent Directors. Pursuant to Section 177(8) of the Companies Act, 2013, it is reported that there has not been an occasion, where the Board had not accepted any recommendation of the Audit Committee.

The Company has a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and other employees duly approved by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, in accordance with Section 178(3) of the Companies Act, 2013.

As per Proviso to Section 178(4), the salient features of the Nomination and Remuneration Policy should be disclosed in the Board's Report. Accordingly, the following disclosures are given:

Salient Features of the Nomination and Remuneration Policy:

The objective of the Policy is to ensure that:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (b) the relationship of remuneration to performance is clear and meets the appropriate performance benchmarks;
- (c) remuneration to directors, key managerial personnel and senior management involves balance between fixed and incentive pay reflecting short and long term performance objectives shall be appropriated to the working of the Company and its goals.

The Nomination and Remuneration Committee and this Policy are in compliance with the Companies Act, 2013. During the year under review, there has been no change in the policy.

11. EVALUATION OF BOARD

Pursuant to Section 134(3)(p) of the Companies Act, 2013, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, Performance of the Board as a whole and its Members and other required matters.

The Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board Meeting, which shall be taken into account at the time of re-appointment of Independent Director.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

The Board of Directors have evaluated the performance of Independent Directors and observed the same to be satisfactory and their deliberations beneficial in Board / Committee meetings.

As per Section 178(2) of the Companies Act, 2013, the Board of Directors have evaluated the performance of the Committees of the Board.

The Board of Directors have reviewed and observed that the evaluation frame work of the Board of Directors was adequate and effective.

The Board's observations on the evaluations for the year were under review similar to their observations for the Previous year. No specific actions have been warranted based on current year observations. The Company would continue to familiarize its Directors on the industry, technological and statutory developments, which have a bearing on the Company and the industry, so that Directors would be effective in discharging their expected duties.

12. MEETINGS

MEETINGS OF THE BOARD

Details of attendance of each Director at the Board Meetings held during the year are as follows:

Sl. No.	Name of the Director, Director Identification Number (DIN) & Directorship	Board Meetings held on				Attendance as last AGM 29-08-2025
		29-05-2025	12-08-2025	11-11-2025	13-02-2026	
1	Shri P.R. Venketrama Raja, Chairman DIN: 00331406, Directorship: P & NE	Yes	Yes	Yes	Yes	Leave
2	Smt. B. SriSandhya Raju, Managing Director, DIN:02325596, Directorship: P&E	Yes	Yes	Leave	Leave	Yes
3	Smt. R. Sudarsanam DIN: 00433926, Directorship: P & NE	Yes	Yes	Yes	Yes	Leave
4	Smt. P.V. Nirmala Raju DIN: 00474960, Directorship: P & NE	Yes	Leave	Leave	Yes	Leave
5	Shri S. Kanthimathinathan DIN: 01124581, Directorship: NE	Yes	Yes	Yes	Yes	Leave
6	Shri P.A.S. Krishnamma Raja DIN: 00487322, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes
7	Shri P.P.S. Janarthana Raja DIN 06702871, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes

P-Promoter; E-Executive; NE-Non Executive; ID - Independent Director

During the year a separate meeting of the Independent Directors was held on 13-02-2026 and all the Independent Directors were present at the meeting.

During the year under review, no Independent Director has resigned.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

13. MEETINGS OF THE COMMITTEE

AUDIT COMMITTEE

The Composition of the Audit Committee and the details of attendance of its Members at the Audit Committee Meetings are as follows:

Sl. No.	Name of the Director	Audit Committee Meetings held on			
		29-05-2025	12-08-2025	11-11-2025	13-02-2026
1.	Justice Shri P.P.S. Janarthana Raja Chairman of the Committee	Yes	Yes	Yes	Yes
2.	Shri S. Kanthimathinathan	Yes	Yes	Yes	Yes
3.	Shri P.A.S. Krishnamma Raja	Leave	Yes	Yes	Yes

The Statutory Auditors, Chief Financial Officer, Company Secretary and Head of Internal Audit Department are invitees to the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

The representatives of the Cost Auditor and Secretarial Auditor are invited to attend the meeting of the Audit Committee when their reports are tabled for discussion.

NOMINATION AND REMUNERATION COMMITTEE

The Composition of the Nomination and Remuneration Committee and the details of attendance of its Members at the Nomination and Remuneration Committee are as follows:

Sl. No.	Name of the Director	NRC Meeting held on 29-05-2025
1.	Justice Shri P.P.S. Janarthana Raja, Chairman of the Committee	Yes
2.	Shri S. Kanthimathinathan	Yes
3.	Shri P.A.S. Krishnamma Raja	Yes

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Composition of the Corporate Social Responsibility Committee and the details of the attendances of its Members at Corporate Social Responsibility Committee Meeting are as follows:

Sl. No.	Name of the Director	CSR Meeting held on 29-05-2025
1.	Shri P.R. Venketrama Raja, Chairman	Yes
2.	Justice Shri P.P.S. Janarthana Raja	Yes
3.	Shri P.A.S. Krishnamma Raja	Yes

DIRECTORS' REPORT

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Composition of the Stakeholders Relationship Committee Meeting and the details of attendance of its Members at the Stakeholders Relationship Committee Meeting are as follows:

Sl. No.	Name of the Director	SRC Meeting held on 13-02-2026
1.	Justice Shri P.P.S. Janarthana Raja, Chairman of the Committee	Yes
2.	Shri S. Kanthimathinathan	Yes
3.	Shri P.A.S. Krishnamma Raja	Yes

14. SECRETARIAL STANDARD

As required under Clause 9 of Secretarial Standard 1, the Board of Directors confirms that the Company has complied with applicable Secretarial Standards.

15. PUBLIC DEPOSITS

Pursuant to Rule 8(5)(v) & (vi) of Companies (Accounts) Rules, 2014, it is reported that the Company has not accepted any deposit from public during the financial year under review. There was no outstanding of deposits as on 31-03-2026 (Previous year: Nil). The Company has no deposit, which is not in compliance with the Chapter V of the Companies Act, 2013.

16. ORDERS PASSED BY REGULATORS

Pursuant to Rule 8(5)(vii) of Companies (Accounts) Rules, 2014, it is reported that, no significant and material orders have been passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future.

17. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to Section 186(4) of the Companies Act, 2013, it is reported that:

- (a) the Company has not given any loans or guarantee during the year 2025-26 under Section 186 of the Companies Act, 2013.
- (b) the particulars of the investment are provided under Note No. 15 and Note No. 30 (11) (g) respectively of Notes forming part of financial statements.

18. CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee and adopted a CSR Policy which is based on the philosophy that "As the Organization grows, the Society and Community around it also grows".

The Company has undertaken various projects in the areas of eradication of hunger, promotion of healthcare including preventive healthcare, education, restoration of buildings and sites of historical importance, ensuring environmental sustainability etc., largely in accordance with Schedule VII of the Companies Act, 2013.

DIRECTORS' REPORT

On account of losses, there was no CSR obligation for FY 2025-26.

The Annual Report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure - I**.

19. AUDITS

STATUTORY AUDIT

M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants, (FRN: 001208S), who have been appointed as the Statutory Auditors of the Company for second term of five consecutive years at the 28th Annual General Meeting, would be the Auditors of the Company till the conclusion of 33rd Annual General Meeting to be held in the year 2027.

The report of the Statutory Auditors for the year ended 31st March, 2026 does not contain any qualification, reservation or adverse remark and no instance of fraud has been reported by Auditors under Section 143(12) of Companies Act, 2013.

SECRETARIAL AUDIT

Shri M.R.L. Narasimha, a Practicing Company Secretary is the Secretarial Auditor of the Company. Pursuant to Section 204(1) of the Companies Act, 2013, the Secretarial Audit Report submitted by the Secretarial Auditor for the year ended 31st March, 2026 is attached as **Annexure - II**. The report does not contain any qualification, reservation or adverse remark.

COST AUDIT

As per Section 148(1) of the Companies Act, 2013 read with Rule 3 of Companies (Cost Records and Audit) Rules 2014, the Company is required to maintain cost records and accordingly such records and accounts are made and maintained.

The Board of Directors had approved the appointment of M/s. SVM & Associates, Cost Audit Firm as the Cost Auditors of the Company to audit the Company's Cost Records relating to manufacture of textile products for the year 2026-27 at a remuneration of Rs. 80,000 (Rupees Eighty Thousand), exclusive of GST and out- of-pocket expenses.

The remuneration of the cost auditors is required to be ratified by the members in accordance with the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014. Accordingly, the matter is being placed before the Members for ratification of remuneration at the ensuing Annual General Meeting.

The Cost Audit Report for the financial year 2024-25 due to be filed with Ministry of Corporate Affairs by 31-12-2025 had been filed on 02-09-2025. The Cost Audit Report for the financial year 2025-26 is due to be submitted by the cost auditor within 180 days from the closure of the financial year and will be filed with the Ministry of Corporate Affairs within 30 days thereof.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as **Annexure – III**.

DIRECTORS' REPORT

21. ANNUAL RETURN

In Accordance with Section 92(3) of the Companies Act, 2013, read with Rule 12 of Companies (Management and Administration) Rules, 2014, the copy of the Annual Return for the year ended 31-03-2025 has been placed on the website of the Company and web link of such Annual return is - <https://www.sandhyaspinningmill.co.in/pdf/SSMLar2025.pdf>

22. INDUSTRIAL RELATIONS AND PERSONNEL

The Company has 1012 employees as on 31-03-2026 (PY: 1,047). Industrial relations with employees remained cordial during the year. The Company focused more on Human Resources Development activities and imparted training to develop the skill-set of the employees to enable them to face the challenges in the work environment.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the following are the details of complaints:

S.no	Particulars	Remark
1.	Number of Complaints of sexual harassment received in the year	NIL
2.	Number of complaints disposed of during the year	NIL
3.	Number of cases pending for more than ninety days	NIL

23. RELATED PARTY TRANSACTION

Prior approval / Omnibus approval is obtained from the Audit Committee for all Related Party Transactions and the transactions are periodically placed before the Audit Committee for its approval. Transaction with the related party which are material in nature, in accordance with Company's "Related Party Transaction Policy" and required to be disclosed in Form AOC-2 is attached as **Annexure -IV**. The details of transactions with the related parties are set out in Note No:32(11) of disclosures forming part of Financial Statements.

24. RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimization of risk thereof.

25. MATERIAL CHANGES SINCE 1ST APRIL, 2026

There have been no changes affecting the financial position of the Company between the end of the financial year (31-03-2026) and till the date of this report (29-05-2026).

DIRECTORS' REPORT

26. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- (a) they had followed the applicable accounting standards along with proper explanation relating to material departures, if any, in the preparation of the Annual accounts for the year ended 31st March, 2026;
 - (b) they had 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 as on 31st March, 2026 and loss of the Company for the year ended on that date;
 - (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - (d) they had prepared the Annual Accounts on a going concern basis;
 - (e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
 - (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
27. The Company has not made any application under the Insolvency and Bankruptcy Code, 2016 during the financial year under review and there is no such proceeding pending as at the end of the financial year 2025-26 to report.
28. The Company has not entered into any one time settlement with Banks / Financial Institutions, during the period under review.
29. The Board of Directors confirms that the Company has complied with the provisions of the Maternity Benefit Act, 1961, during the financial year under review. The Company extends all statutory maternity benefits to eligible women employees in accordance with the applicable provisions of the Act and has adequate policies and systems in place to ensure compliance with the said legislation. No instance of non-compliance was reported during the year.

ACKNOWLEDGEMENT

The Directors are grateful to the various Departments and agencies of the Central and State Governments for their help and co-operation. They are thankful to the Financial Institutions and Banks for their continued help, assistance and guidance. The Directors wish to place on record their appreciation of employees at all levels for their commitment and their contribution.

On behalf of the Board of Directors,
For SANDHYA SPINNING MILL LIMITED,

Rajapalayam,
29th May, 2026.

P.R. VENKETRAMA RAJA,
CHAIRMAN
(DIN: 00331406)

ANNEXURE I TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy.

The objective of the CSR Policy is:

- a. to ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- b. to directly or indirectly take up Programs that benefit the communities in & around its work locations and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.
- c. to generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive & socially responsible image of the Company as a corporate entity.

2. The Composition of the CSR Committee:

S. No.	Name of the Director	Designation / Nature of Directorship	No.of meetings of CSR held during the year	No.of meetings of CSR attended during the year
1	Shri P.R. Venketrama Raja	Chairman of the Committee, Non-Executive & Non-Independent Director	1	1
2	Shri P.A.S. Krishnama Raja	Non-Executive & Independent Director	1	1
3	Justice Shri P.P.S. Janarthana Raja	Non-Executive & Independent Director	1	1

3. Provide the executive summary along with web-links of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable - Not Applicable
4.
 - a) Average net profit of the Company as per Section 135(5) – Not Applicable.
 - b) Two percent of average net profit of the Company as per Sub-Section (5) of Section 135(5) – Not Applicable.
 - c) Surplus arising out of the CSR projects or programmers or activities of the previous financial years – Nil
 - d) Amount required to be set-off for the financial year, if any – Nil.
 - e) Total CSR obligation for the financial year [(b)+(c)-(d)] – Nil.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

ANNEXURE I TO DIRECTORS' REPORT

5. a) Amount spent on CSR Projects (both ongoing project and other than ongoing project) - Not applicable
- b) Amount spent in Administrative Overheads - Nil
- c) Amount spent on Impact Assessment, if applicable - Not applicable
- d) Total amount spent for the Financial Year (a + b + c) - Not applicable
- e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial year (₹ In Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
Nil	Nil	Nil	Nil	Nil	Nil

- f) Excess amount for set off, if any –

Sl. No.	Particulars	Amount (₹ in Lakhs)
(i)	Two per cent of average net profit of the Company as per Section 135(5)	-
(ii)	Total amount spent for the Financial year	-
(iii)	Excess amount spent for the Financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	-

Including the excess amount spend under CSR in earlier years, the Company has an amount of ₹ 1.94 Lakhs available for set-off against future CSR obligations.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

ANNEXURE II TO DIRECTORS' REPORT

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,

Sandhya Spinning Mill Limited,

[CIN:U17111TN1994PLC027037] No. 47, P.S.K. Nagar,
Rajapalayam - 626108.

I have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Sandhya Spinning Mill Limited** (hereinafter called "the Company") **during the financial year from 1st April, 2025 to 31st March, 2026** ("the year"/ "audit period"/ "period under review"). I conducted the Secretarial Audit in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing my opinion thereon.

I am issuing this report based on my verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company during the year as well as after 31st March, 2026 but before the issue of this audit report and the information provided by the Company, its officers, agents and authorised representatives during my conduct of the Secretarial Audit.

1. I hereby report that:

- 1.1 In my opinion, during the audit period covering the **financial year ended on 31st March, 2026**, the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The Members are requested to read this report along with my letter of even date annexed to this report as **Annexure – A**.
- 1.2 I have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions of :
 - (i) The Companies Act, 2013 (the Act), and the rules made thereunder.
 - (ii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
 - (iii) The following laws, that are specifically applicable to the Company:
 - (a) Essential Commodities Act, 1955, with reference to "Hank Yarn Packing Notification 2003" (No.2/TDRO/8/2003 dated 17th April, 2003); and
 - (b) The Electricity Act, 2003.
- 1.3 I have also examined compliance with the applicable clauses of the following:
Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by The Institute of Company Secretaries of India

ANNEXURE II TO DIRECTORS' REPORT

- 1.4 During the period under review, and also considering the compliance related action taken by the Company after 31st March, 2026 but before the issue of this report, the Company has, to the best of my knowledge and belief and based on the records, information and explanations furnished to me, complied with the applicable provisions / Clauses of the Acts, Rules, Regulations, Agreements, Guidelines and Standards mentioned under paragraphs 1.2 and 1.3 above.
- 1.5 I am informed that, during / in respect of the year:
- (i) Due to non-occurrence of certain events, the Company was not required to comply with the following laws / guidelines / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms/ returns under:
 - a) 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;
 - b) Securities Contracts (Regulations) Act, 1956 and the Rules made thereunder.
 - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - e) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - f) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - g) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - h) Securities and Exchange Board of India (Issue and Listing of Non-convertible) Regulations, 2021;
 - i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - j) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - k) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (ii) There was no law, other than those specified in paragraph 1.2 above, that was specifically applicable to the Company, considering the nature of its business. Hence, the requirement to report on compliance with specific laws did not arise.
- 2. I further report that:**
- 2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The Board also have three Women Directors as on 31-03-2026. There was no change in the composition of the Board of Directors during the period under review.
- 2.2 Adequate notice is given to all Directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent at least seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings:

ANNEXURE II TO DIRECTORS' REPORT

(i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and

(ii) Additional subjects / information / presentations and supplementary notes.

Consent of the Board for circulating them separately or at the meeting was duly obtained as required under the Secretarial Standards.

2.3 A system exists for Directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters discussed during the year that were required to be captured and recorded as part of the minutes.

3. I further report that:

3.1 There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Coimbatore
29th May, 2026

M.R.L. Narasimha
Practicing Company Secretary
Membership No: F2851
Certificate of Practice No.: 799
Lotus 370-A, Alagesan Road
SB Mission Post
Coimbatore - 641 011
UDIN:- FO02851HOO0528178

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

ANNEXURE II TO DIRECTORS' REPORT

Annexure – A to Secretarial Audit Report of even date

To

The Members,

Sandhya Spinning Mill Limited, [CIN:U17111TN1994PLC027037]

No. 47, P.S.K Nagar,

Rajapalayam - 626 108.

My Secretarial Audit Report (Form No. MR-3) of even date for the financial year ended 31st March, 2026 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed such audit practices and processes as i considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, i have also considered compliance related action taken by the Company after 31st March, 2026 but before the issue of this report.
4. I have verified the secretarial records furnished to me on a test basis to see whether the correct facts are reflected therein. I also examined the compliance procedures followed by the Company on a test basis. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
5. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
6. I have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
7. My 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.

Coimbatore

29th May, 2026

M.R.L. Narasimha
Practicing Company Secretary
Membership No: F2851
Certificate of Practice No.: 799
Lotus 370-A, Alagesan Road
SB Mission Post
Coimbatore - 641 011
UDIN:- FO02851HOO0528178

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

ANNEXURE III TO DIRECTORS' REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules 2014]

A. CONSERVATION OF ENERGY

The Company pays attention at all levels to reduce energy consumption, by continuous monitoring maintenances and improvements.

(i) the steps taken on conservation of energy; : Optimized of non-productive loads like Humidification plant and Overhead travelling Cleaners pressure optimization

Impact on Conservation of energy : The above resulted in energy saving of 5.77 Lakhs Units per Annum.

(ii) the steps taken by the Company for utilising alternate sources of energy; : The Company entered into a group captive arrangement for the purchase of 7.20 MW of solar power. Up to the financial year 2024-25, the commissioning of 6.00 MW was completed, and the remaining 1.20 MW was commissioned during the financial year 2025-26.

(iii) the capital investment or energy conservation equipments; : NIL

B. TECHNOLOGY ABSORPTION:

(i) the efforts made towards technology absorption : NIL

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

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

(a) the details of technology imported; : NIL

(b) the year of import; : NIL

(c) whether the technology been fully absorbed; : Not Applicable

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and : Not Applicable

(iv) the expenditure incurred on Research and Development : Not Applicable

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

ANNEXURE III TO DIRECTORS' REPORT

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows : ₹ 3,897.06 Lakhs during the year and

The Foreign Exchange outgo during the year in terms of : ₹ 7,709.03 Lakhs actual outflows.

By Order of the Board,
For SANDHYA SPINNING MILL LIMITED,

Rajapalayam,
29th May, 2026.

P.R. VENKETRAMA RAJA,
CHAIRMAN
(DIN: 00331406)

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

ANNEXURE IV TO DIRECTORS' REPORT

Form No. AOC-2

[Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) |
of the Companies (Accounts) Rule, 2014]

Particulars of Contracts/Arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis:

I	(a)	Name(s) of the related party and nature of relationship	:	Ramco Industries Limited Shri P.R. Venketrama Raja, Chairman is the Chairman in Ramco Industries Limited. He is also a promoter in Ramco Industries Limited and holds 16.71% of Equity Shares in Ramco Industries Limited.
	(b)	Nature of Contracts / arrangements / transactions	:	Purchase of Raw Materials / Yarn / Textile Products and Others Sale of Raw Materials / Yarn / Textile Products and Others
	(c)	Duration of the contracts / arrangements / transactions	:	12 Months from 01-04-2025 to 31-03-2026
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Purchase of Raw Material, Yarn, Textile products and Other items at market price prevailing on the date of the transaction Value. During Financial Year 2025-26, the Company has purchased Raw Material, Yarn, Textile products, and Other items for the value of ₹ 890.99 Lakhs. Sale of Raw Material, Yarn, Textile products and Other items at market price prevailing on the date of the transaction Value. During Financial Year 2025-26, the Company has sold Raw Material, Yarn, Textile products and Other items for the value of ₹ 1,915.88 Lakhs
	(e)	Date(s) of approval by the Board, if any	:	Not Applicable
	(f)	Amount paid as advances, if any	:	NIL

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

ANNEXURE IV TO DIRECTORS' REPORT

II	(a)	Name(s) of the related party and nature of relationship	:	Rajapalayam Mills Limited Shri P.R. Venketrama Raja, Chairman is the Chairman in Rajapalayam Mills Limited. He is also a promoter in Rajapalayam Mills Limited and holds 21.08% of Equity Shares in Rajapalayam Mills Limited Smt. R. Sudarsanam, Director is a Promoter in Rajapalayam Mills Limited. Smt. P.V. Nirmala Raju, Director is a Promoter in Rajapalayam Mills Limited and holds 1.90% of Equity Shares in Rajapalayam Mills Limited Smt. B. SriSandhya Raju, Managing Director is a Promoter in Rajapalayam Mills Limited and holds 0.22% of Equity Shares in Rajapalayam Mills Limited
	(b)	Nature of Contracts / arrangements / transactions	:	Purchase of Raw Materials / Yarn / Textile Products and Others Sale of Raw Materials / Yarn / Textile Products and Others
	(c)	Duration of the contracts / arrangements / transactions	:	12 Months from 01-04-2025 to 31-03-2026
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Purchase of Raw Material, Yarn, Textile products and Other items at market price prevailing on the date of the transaction Value. During Financial Year 2025-26, the Company has purchased Raw Material, Yarn, Textile products and Other items for the value of ₹ 4,359.73 Lakhs. Sale of Raw Material, Yarn, Textile products and Other items at market price prevailing on the date of the transaction Value. During Financial Year 2025-26, the Company has sold Raw Material, Yarn, Textile products and Other items for the value of ₹ 4,273.50 Lakhs.
	(e)	Date(s) of approval by the Board, if any	:	Not Applicable
	(f)	Amount paid as advances, if any	:	NIL

By Order of the Board,
For SANDHYA SPINNING MILL LIMITED,

Rajapalayam,
29th May, 2026.

P.R. VENKETRAMA RAJA,
CHAIRMAN
(DIN: 00331406)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M/s. SANDHYA SPINNING MILL LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements drawn in accordance with the Accounting Standards, of Sandhya Spinning Mill Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss, Cash Flow Statement for the year ended on 31 March 2026 and notes to the Financial Statements and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs ("Financial Position") of the Company as at 31 March 2026, its Loss ("Financial Performance") and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made 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 audit opinion on the Financial Statements.

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

The Company's Management and Board of Directors are responsible for the preparation of the Other Information. The Other Information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the Financial Statements and our audit report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions

AUDITOR'S REPORT TO SHAREHOLDERS

of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- i. Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of Internal Financial 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.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 audit report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

AUDITOR'S REPORT TO SHAREHOLDERS

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in:

- i. Planning the scope of our audit work and in evaluating the results of our work; and
- ii. To evaluate the effect of any identified misstatements in the Financial Statements

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

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

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 audit 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

1. 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 Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, based on our audit, 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.
 - b) In our opinion, proper books of account as required by law have been kept by the Company, as far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the Directors as on 31 March 2026 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) We have enclosed our report in "Annexure B" with respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls. 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 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 had disclosed the impact of pending litigations as on 31 March 2026 on its financial position in its financial statements – Refer Note No. 30 in the Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

AUDITOR'S REPORT TO SHAREHOLDERS

- iii. There has been no delay in transferring amounts which were 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 kinds of funds) by the Company to or in any other person or entity, including foreign entity ("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 by or on behalf of the Company ("Ultimate Beneficiaries"), 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 person or entity including foreign entity ("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 by or on behalf of the Funding Party ("Ultimate Beneficiaries"), or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv)(a) and (iv)(b), contain any material misstatement.
- v. There is no dividend declared or paid during the year by the Company and hence the requirement of compliance with section 123 of the Act does not arise.
- vi. The Company has used accounting software's for maintaining its books of account for the financial year ended 31 March 2026, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.
- h) With respect to the matter to be included in the Audit 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 current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any Director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration Number: 001208S

Bengaluru
29th May, 2026.

S SRIVATSAN
Partner
Membership No. 021880
UDIN: 26021880VPQLQH9648

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

AUDITOR'S REPORT TO SHAREHOLDERS

“ANNEXURE A” TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the Financial Statements of the Company for the year ended 31 March 2026)

We state the following after considering the information and explanations given to us by the Company and on the basis of examination of the records of the Company:

1. In Respect of the Company's Property Plant and Equipment and Intangible Assets:
 - 1.1. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and equipment. The Company has also maintained proper records showing full particulars of intangible assets.
 - 1.2. The Property Plant and Equipment were physically verified during the year by the Company in accordance with the phased programme of verification which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed during such verification.
 - 1.3. The title deeds of immovable properties disclosed in the Financial Statements are held in the name of the Company (Other than the properties where the Company is a lessee, and the lease arrangements are duly executed in favour of the Company).
 - 1.4. The Company has not revalued its Property, Plant and Equipment and/or intangibles during the year and accordingly, we have nothing to comment as per the provisions of clause 3(i)(d) of the Order.
 - 1.5. The Company does not hold any benami Property and no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and accordingly, we have nothing to comment as per the provisions of clause 3(i)(e) of the Order.
2. Inventory and Working Capital:
 - 2.1. The Company has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on verification between the physical stocks and the book records were properly dealt with in the books of account and were not material.
 - 2.2. The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of accounts of the Company.
3. Investments made, Loans given, Advances in the nature of Loans given and Guarantees provided during the year
 - 3.1 The details of investments made, guarantee provided, loans and advances in the nature of loans granted during the year are given below:

Particulars	Investments (₹ in Lakhs)	Guarantees (₹ in Lakhs)	Loans (₹ in Lakhs)
Aggregate amount granted or Advanced during the year	0.00 (PY: 0.00)	-	-
Balance outstanding at Balance sheet date	513.86 (PY: 414.97)	-	-

AUDITOR'S REPORT TO SHAREHOLDERS

“ANNEXURE A” TO THE INDEPENDENT AUDITORS' REPORT

- 3.2 The Investments made during the year are not prejudicial to the Company's interest.
- 3.3 The Company has not advanced any loans and advances and accordingly, we have nothing to comment as per the provisions of clause 3(iii)(c) of the Order.
- 3.4 The Company has not advanced any loans and advances and accordingly, we have nothing to comment as per the provisions of clause 3(iii)(d) of the Order.
- 3.5 No loan granted by the Company, which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the existing loans given to the same parties and accordingly, we have nothing to comment as per the provisions of clause 3(iii)(e) of the Order.
- 3.6 The company has not advanced any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, and accordingly, we have nothing to comment as per the provisions of clause 3(iii)(f) of the order.
- 4. The Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees, and security.
- 5. The Company has not accepted any deposit or amounts which are deemed to be deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76, or any other relevant provisions of the Act and the rules made thereunder with regard to the deposits accepted from the public are not applicable and accordingly, we have nothing to comment with respect to provisions of clause 3(v) of the Order.
- 6. The Company has maintained accounts and records which have been specified by the Central Government under Section 148(1) of the Act.
- 7. Undisputed and disputed taxes and duties
 - 7.1 The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Goods and Service Tax, Cess and any other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of the above were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.
 - 7.2 There were no disputed statutory dues that have not been deposited with appropriate authorities.
- 8. There have been no transactions which were not previously recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments by the Company, under the Income Tax Act, 2025 and accordingly, we have nothing to comment as per the provisions of clause 3(viii) of the Order.
- 9. Default in respect of repayment of Loans or interest during the year
 - 9.1 The Company has not defaulted in repayment of dues to financial institutions, banks, government, debenture holders or any other lender.
 - 9.2 The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.
 - 9.3 The term loans were applied for the purpose for which the loans were obtained.
 - 9.4 Funds raised on short term basis by the Company were not utilised for long term purposes.

AUDITOR'S REPORT TO SHAREHOLDERS

“ANNEXURE A” TO THE INDEPENDENT AUDITORS' REPORT

- 9.5 The company does not have any subsidiaries, associates, or joint ventures as defined under the relevant accounting standards during the financial year and accordingly reporting under clause 3(ix)(e) of the Order on whether the Company has obtained funds from an entity or person on account of or to meet the obligations of the Subsidiaries, Associates or Joint Ventures is not applicable to the Company.
- 9.6 The company does not have investments Subsidiaries, Associates, or Joint Ventures as defined under the relevant accounting standards during the financial year and accordingly reporting under clause 3(ix)(f) of the Order on whether the Company has raised any loans during the year on the pledge of securities held in Subsidiaries, Associates or Joint Ventures, is not applicable to the Company.
10. Funds Raised
- 10.1 The Company has not raised money by way of rights issue during the year. The Company has raised term loans from Banks or Financial Institutions during the year. The company has not issued any debentures during the year. The funds were applied for the purpose for which they were raised.
- 10.2 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and accordingly, we have nothing to comment as per the provisions of clause 3(x)(b) of the Order.
11. Fraud and Whistle Blower System
- 11.1 We report that no fraud by the Company or on the Company by its Officers or employees has been noticed or reported during the year.
- 11.2 No report under sub-section (12) of Section 143 of the Act has been filed by the auditors in respect of the Company, 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 date of this report.
- 11.3 The Company's management has not received any whistle blower complaints during the year.
12. The Company is not a Nidhi Company and accordingly the reporting under clause 3(xii) of the Order is not applicable to the Company.
13. All transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
14. The Company has an internal audit system commensurate with the size and nature of its business. The reports of the internal auditor have been taken into consideration.
15. The Company has not entered into any non-cash transactions with its Directors or persons connected with them and accordingly, we have nothing to comment as per the provisions of clause 3(xv) of the Order.
16. Registration
- 16.1 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
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SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM

AUDITOR'S REPORT TO SHAREHOLDERS

“ANNEXURE A” TO THE INDEPENDENT AUDITORS' REPORT

- 16.2 The Company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly, we have nothing to comment as per the provisions of clause 3(xvi)(b) of the Order.
- 16.3 The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and accordingly the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- 16.4 The Group does not have any CIC as part of it and accordingly the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
17. The Company has incurred cash profit in the current financial year amounting to ₹ 81.5 Lakhs (PY: Cash Loss of ₹ 460.08 Lakhs).
18. There has been no resignation of statutory auditors of the Company during the year.
19. 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, the auditor's 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 indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. Variations in ratios over 25% on comparison with previous year has also been disclosed in the notes accompanying financial statements.
20. CSR Compliance
- 20.1 There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act and accordingly the provisions of clause 3(xx)(a) of the Order is not applicable to the Company.
- 20.2 The company had no such remaining unspent amount under subsection (5) of section 135 of Act pursuant to ongoing project, which has to be transferred to special account in compliance with provision of subsection (6) of section 135. Hence the Clause 3(xx)(b) of the Order is not applicable to the Company.
21. The Company is not required to prepare consolidated financial statements as per the provisions of Section 129(3) of the Act, and accordingly the provisions of clause 3(xxi) of the Order is not applicable to the company.

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration Number: 001208S

Bengaluru
29th May, 2026.

S SRIVATSAN
Partner
Membership No. 021880
UDIN: 26021880VPQLQH9648

AUDITOR'S REPORT TO SHAREHOLDERS

“ANNEXURE B” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

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

Opinion

We have audited the Internal Financial Controls over financial reporting of Sandhya Spinning Mill Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the Financial Statements of the Company for the year ended on 31 March 2026.

In our opinion, and to the best of our information and according to the explanations given to us, 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 31 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 ("Guidance Note") issued by Institute of Chartered Accountants of India ("ICAI").

Management's Responsibilities for Internal Financial Controls

The Company's Management and Board of Directors 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 issued by the 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.

Auditors' Responsibilities

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 and the SAs, 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 and, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

AUDITOR'S REPORT TO SHAREHOLDERS

“ANNEXURE B” TO THE INDEPENDENT AUDITORS' REPORT

Meaning of Internal Financial Controls Over Financial Reporting

A company's Internal Financial Control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 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 authorisations of Management and Directors of the company; and
- c. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration Number: 001208S

Bengaluru
29th May, 2026.

S SRIVATSAN
Partner
Membership No. 021880
UDIN: 26021880VPQLQH9648

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
BALANCE SHEET AS AT 31ST MARCH, 2026

		(₹ in Lakhs)			
Particulars	Note No.	As at 31-03-2026		As at 31-03-2025	
I EQUITY AND LIABILITIES					
(1) Shareholders' Fund					
(a) Share Capital	4	3,561.82		3,561.82	
(b) Reserves and Surplus	5	(2,850.70)	711.12	(2,043.93)	1,517.89
(2) Non-Current Liabilities					
(a) Long Term Borrowings	6	12,897.11		13,341.19	
(b) Deferred Government Grants	7	992.98		1,041.41	
(c) Long Term Provisions	8	132.87	14,022.96	139.96	14,522.56
(3) Current Liabilities					
(a) Short Term Borrowings	9	13,827.50		11,128.41	
(b) Trade Payables					
(i) Total outstanding dues of micro enterprises and small enterprises	10	17.68		76.61	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	10	281.24		573.06	
(c) Other Current Liabilities	11	1,190.74		1,200.16	
(d) Short Term Provisions	12	109.50	15,426.66	113.39	13,091.63
TOTAL EQUITY AND LIABILITIES			30,160.74		29,132.08
II ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets					
(i) Property, Plant and Equipments	13	15,499.20		16,201.29	
(ii) Capital Work-in-Progress		62.28		0.65	
(b) Non-Current Investments	14	513.86		414.97	
(c) Long term Loans and advances	15	542.76		533.53	
(d) Deferred Tax Assets	16	258.09		41.25	
(e) Other Non-Current Assets	17	708.34	17,584.53	907.19	18,098.88
(2) Current Assets					
(a) Inventories	18	6,908.20		6,150.84	
(b) Trade Receivables	19	3,675.49		3,586.34	
(c) Cash and Cash Equivalents	20	386.08		56.83	
(d) Short Term Loan and Advances	21	1,085.99		637.50	
(e) Other Current Assets	22	520.45	12,576.21	601.69	11,033.20
TOTAL ASSETS			30,160.74		29,132.08
Significant Accounting Policies, Judgements and Estimates	1-3				
Notes on Financial Statements	4-32				

The notes form an integral part of these financial statements.

As per our report annexed

For and on behalf of the Board of Directors

For M.S. JAGANNATHAN & N. KRISHNASWAMI,
Chartered Accountants
Firm Registration No. 001208S

Smt. B. SRISANDHYA RAJU
MANAGING DIRECTOR
(DIN: 02325596)

Shri P.R. VENKETRAMA RAJA
CHAIRMAN
(DIN: 00331406)

S. SRIVATSAN
Partner
Membership No. 021880

K. GNANESWARAN
CHIEF FINANCIAL OFFICER

E. MOHANALOGAPRIYA
SECRETARY

Bengaluru,
29th May, 2026.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2026

			(₹ in Lakhs)	
	Particulars	Note No.	For the year ended 31-03-2026	For the year ended 31-03-2025
	INCOME			
I	Revenue from Operations	23	23,813.18	24,642.48
II	Finance Income	24	36.24	102.49
III	Other Income	25	232.46	215.34
IV	Total Income (I + II + III)		<u>24,081.88</u>	<u>24,960.31</u>
V	EXPENSES			
	Cost of Materials Consumed	26	13,511.73	14,566.34
	Purchase of Stock-in-trade		491.30	672.62
	Changes in Inventories of Finished Goods and Work-in-progress	27	387.56	(46.56)
	Employee Benefit Expenses	28	2,350.71	2,411.01
	Finance Costs	29	2,208.43	2,510.81
	Depreciation and Amortization Expenses		1,105.10	1,115.84
	Other Expenses	30	5,050.66	5,306.16
	Total Expenses		<u>25,105.49</u>	<u>26,536.22</u>
VI	Profit / (Loss) Before Exceptional and Extraordinary items and Tax (IV-V)		(1,023.61)	(1,575.91)
VII	Exceptional & Extraordinary items		-	-
VIII	Profit / (Loss) Before Tax (VI-VII)		<u>(1,023.61)</u>	<u>(1,575.91)</u>
IX	Tax Expenses / (Savings)			
	Current Tax		-	-
	Deferred Tax (Asset) / Liability	31	<u>(216.84)</u>	(405.78)
	Total Tax Expenses		<u>(216.84)</u>	<u>(405.78)</u>
X	Profit / (Loss) after Tax (VIII-IX)		<u>(806.77)</u>	<u>(1,170.13)</u>
XI	Earnings per Equity Share of face value of ₹ 10/- each			
	Basic & Diluted (in Rupees) [Refer to Note No.32(10)]		(2.54)	(3.66)
	Significant Accounting Policies, Judgements and Estimates	1-3		
	Notes on Financial Statements	4-32		

The notes form an integral part of these financial statements.

As per our report annexed

For and on behalf of the Board of Directors

For M.S. JAGANNATHAN & N. KRISHNASWAMI,
Chartered Accountants
Firm Registration No. 001208S

Smt. B. SRISANDHYA RAJU
MANAGING DIRECTOR
(DIN: 02325596)

Shri P.R. VENKETRAMA RAJA
CHAIRMAN
(DIN: 00331406)

S. SRIVATSAN
Partner
Membership No. 021880

K. GNANESWARAN
CHIEF FINANCIAL OFFICER

E. MOHANALOGAPRIYA
SECRETARY

Bengaluru,
29th May, 2026.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2026

		(₹ in Lakhs)	
Particulars		31-03-2026	31-03-2025
A. Cash flow from Operating Activities			
Net Profit / (Loss) before tax and Extraordinary items		(1,023.61)	(1,575.91)
Adjustments for :			
Depreciation and Amortization		1,105.10	1,115.84
Finance Cost		2,208.43	2,510.81
Interest Income		(36.24)	(102.50)
Loss on Sale of Assets		41.59	155.43
Other Non-Current Assets		198.85	(892.07)
Operating Profit before Working capital Changes		<u>2,494.12</u>	<u>1,211.60</u>
Adjustments for :			
Trade Receivables		(89.15)	1,415.45
Loans and Advances		(279.92)	511.51
Inventories		(757.36)	3,606.10
Trade Payables & Current liabilities		(419.58)	811.63
Cash generated from Operations		<u>948.11</u>	<u>7,556.29</u>
Income tax (Paid) / Refund received		17.29	19.91
Net Cash from Operating Activities	A	<u><u>965.40</u></u>	<u><u>7,576.20</u></u>
B. Cash Flow from Investing Activities :			
Purchase of Fixed Assets (Including Capital Work-in-progress and Capital Advance)		(652.80)	(121.76)
Purchase of shares (Net)		(98.89)	-
Sale of Assets		32.72	(3.13)
Interest received		36.24	102.50
Net Cash used in Investing Activities	B	<u><u>(682.73)</u></u>	<u><u>(22.39)</u></u>

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2026

		(₹ in Lakhs)	
Particulars		31-03-2026	31-03-2025
C. Cash Flow from Financing Activities :			
Proceeds from Long Term borrowings		5,000.00	3,000.00
Repayment of Long Term Loan		(4,800.08)	(3,380.95)
Repayment of Short Term Borrowings (Net)		1,758.16	(4,622.43)
Inter Corporate Loans (Increase)/(Decrease)		297.25	(7.80)
Loan from Directors (Increase)/(Decrease)		(0.32)	(0.43)
Interest Paid		(2,208.43)	(2,510.81)
Net cash used in Financing Activities	C	46.58	(7,522.42)
Net Increase in Cash and Cash Equivalent	(D=A+B+C)	329.25	31.39
Opening balance of Cash and Cash Equivalents	E	56.83	25.44
Closing balance of Cash and Cash Equivalents	D+E	386.08	56.83

Notes:

- (i) The above Statement of Cash Flow has been prepared under 'Indirect Method' as set out in the AS-3 on Statement of Cash Flow.
- (ii) Bank Borrowings including Cash Credits are considered as Financing Activities.
- (iii) For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprise the following:

Particulars	31-03-2026	31-03-2025
Cash and Cash Equivalents [Refer to Note No.20]	386.08	56.83

The notes form an integral part of these financial statements.

As per our report annexed

For M.S. JAGANNATHAN & N. KRISHNASWAMI,
Chartered Accountants
Firm Registration No. 001208S

S. SRIVATSAN
Partner
Membership No. 021880

Bengaluru,
29th May, 2026.

For and on behalf of the Board of Directors

Smt. B. SRISANDHYA RAJU
MANAGING DIRECTOR
(DIN: 02325596)

K. GNANESWARAN
CHIEF FINANCIAL OFFICER

Shri P.R. VENKETRAMA RAJA
CHAIRMAN
(DIN: 00331406)

E. MOHANALOGAPRIYA
SECRETARY

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

NOTE NO. 1

Basis of preparation and presentation of financial statements

- (i) The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles in India, and in compliance of the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of Companies Act, 2013.
- (ii) The accounting policies that are adopted in preparation of the financial statements are consistently followed as in the previous years.
- (iii) The financial statements are presented in Indian Rupees and the amounts are rounded to the nearest Lakhs with two decimals, except as stated otherwise.
- (iv) The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- (v) The Company has considered its operating cycle as 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- (vi) The previous year figures are regrouped / restated wherever necessary.

NOTE NO. 2

Use of Estimates

- (i) The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates in the future periods.
- (ii) Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

NOTE NO. 3

Significant Accounting Policies

A. Inventories

- (i) Raw-materials, Stores & Spares, Fuel, Packing materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. Inventories are usually written down to net realisable value, if the finished products, in which they will be used, are expected to be sold below cost. However, the inventories are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.
- (ii) Process stock is valued at weighted average cost including the cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities but excluding borrowing cost or net realisable value whichever is lower. Factory administration overheads to the extent attributable to bring the inventories to their present location and condition are also included in the valuation of Process stock.
- (iii) Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities and other costs but excluding borrowing cost incurred in bringing the inventory to their present location and condition. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a moving weighted average basis.

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

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

B. Statement of Cash flow

- (i) Cash flows are presented using indirect method, whereby profit / (loss) before extraordinary items and 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.
- (ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value with original maturity of less than 3 months.

C. Depreciation & Amortization

- (i) Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.
- (ii) Freehold lands are not depreciated.
- (iii) Depreciation is provided on straight-line method based on useful life of significant components of certain class of tangible assets viz., Plant & Machinery and Electrical Machinery based on technical advice.
- (iv) The Company determines the useful life of the significant components of certain class of tangible assets on best estimate basis upon technical advice, which is different from the useful life of remaining asset as prescribed under Part C of Schedule II of the Companies Act, 2013, as below:

Type of Plant and Machinery	Useful life of such components ranging from
Textile Machineries / Equipment	2 to 25 Years
Wind Mills	22 to 30 Years
DG Sets	12 to 25 Years
Electrical Machineries	3 to 20 years

- (v) The Company does not consider it appropriate to componentise certain class of tangible assets viz., Furniture & Office Equipment's and Vehicles as these assets are generally replaced in entirety. For these classes of assets, the useful life prescribed in Schedule II to the Companies Act, 2013 have been adopted.
- (vi) Depreciation for tangible assets on additions is calculated on pro-rata basis from the date of such additions. For deletion/disposals, the depreciation is calculated on pro-rata basis upto the date on which such assets have been discarded / sold.
- (vii) Intangible Assets are amortised over their estimated useful life on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team as detailed below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

Nature of Intangible assets	Estimated useful life
Computer software	6 years
Power transmission system	5 years

- (viii) The estimated useful life of the both tangible and intangible assets is reviewed each financial year to reflect the changed pattern, if any.

D. Revenue recognition

- (i) Revenue is recognized to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured
- (ii) Revenue from Operations:
 - a. Sale of products is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sale value excludes GST, Education Cess, Secondary and Higher education cess, trade discounts and sales returns, if any.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

b. Income from Job Work:

Income from job work is recognized on the basis of work executed as per the contract / agreement.

c. Power generated from Wind Mills:

The monetary value of the power generated at wind farms that are consumed at Mills under wheeling and banking arrangement with TANGEDCO are not treated as revenue but have been set off against the cost of Power & Fuel.

(iii) Other Income:

- a. Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.
- b. Industrial promotion assistance (IPA) is recognized when the Company's right to receive the same is established with reasonable certainty.
- c. Interest income and Rental income are recognized on time proportion basis.
- d. Scrap Sales is recognized when the Company transfers control of the product to customers.

E. Property, Plant and Equipment's (PPE)

- (i) PPEs are stated at cost of acquisition (net of GST wherever applicable) less accumulated depreciation/ amortization and impairment losses if any, except freehold land which is carried at cost. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the asset beyond its previously assessed standard of performance.

Machinery spares that are purchased along-with the original equipment, machineries which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized at cost.

Pursuant to Schedule II of the Companies Act, 2013 the Company has componentized all the tangible fixed assets except furniture and office equipment and vehicles. The cost of replacement of significant components are capitalized and the carrying amount of replaced components are de-recognized.

All other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

- (ii) Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.
- (iii) Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of such assets are recognized in the statement of profit and loss under "Other Income".
- (iv) Projects / tangible fixed assets which are not yet ready for their intended use are carried at cost, including related expenses and attributable interest are recognized as "Capital Work-in-Progress".

F. Capital Work in Progress / Capital Advances:

- (i) Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date.
- (ii) Advance give towards acquisition / construction of fixed assets outstanding at the reporting date are disclosed as 'Capital Advances' under 'other Non-Current Assets'.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

G. Foreign Currency Transactions

- (i) Transactions in Foreign Currency are accounted at the exchange rates prevailing at the time of transaction. The difference in exchange rates arising on the settlement of monetary items are recognized as income or expenses in the Statement of Profit and Loss.
- (ii) Monetary Assets and Liabilities in foreign currencies that are covered under a forward contract are accounted at the rate at which they have been covered. Uncovered Monetary Assets and liabilities in foreign currencies are accounted at the rates as on the Balance Sheet date. The exchange difference on account of this is recognized in the Statement of Profit and Loss.
- (iii) The difference between the forward rate and the exchange rate at the inception of a forward exchange contract is recognized as income or expense over the life of contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognized as income or expense in the period in which such cancellation or renewal is made.

H. Government Subsidy / Grant

- (i) Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under Loans and advances.
- (ii) When a grant or subsidy relates to an assets, it is recognized as deferred income and related to the Statement of Profit and Loss on a systematic basis over the useful life of the related assets.

I. Investments

- (i) All Investments being non-current and non-trade are valued at cost. Cost of investments include acquisition charges such as brokerage, fees and duties.
- (ii) The carrying amount of long term investments is determined on an individual investment basis.
- (iii) As at the Balance Sheet date, provision for diminution, if any, is made to recognize the decline other than temporary, in the value of investments. The reduction in carrying amount is charged to statement of profit and loss. This reduction amount is reversed when there is a rise in the value of investment other than temporary.

J. Investment Property

- (i) An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of the Company, is classified as investment property.
- (ii) Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss if any.
- (iii) Depreciation on buildings under investment property, which are held for rental to others, is calculated on straight-line method based on useful life prescribed under Schedule II to the Companies Act, 2013.
- (iv) As at the Balance Sheet, provision for diminution, if any is made to recognize the decline other than temporary, in the value of investment property. The reduction in carrying amount is charged to statement of profit and loss. This reduction amount is reversed when there is a rise in the value of investment property, other than temporary.
- (v) Gains or losses arising from disposal of investment properties are measured as the difference between the net disposal proceeds and the carrying amount of such investment properties are recognized in the statement of profit and loss.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

K. Employee Benefits

- (i) Short-term employee benefit viz., Salaries and Wages, are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- (ii) Defined Contribution plan viz., Contributions to Provident fund and Superannuation fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.
- (iii) The Company contributes to Provident fund administered by the Government on a monthly basis at 12% of employee's basic salary and dearness allowance.
- (iv) The Company also contributes for superannuation a sum equivalent to 15% of the employee's eligible annual basic salary to "Sandhya Spinning Mill Limited Officers Superannuation fund" administered by trustees and managed by LIC of India.

There are no other obligations other than the above defined contribution plans.

(v) **Defined Benefit Plan:**

Gratuity:

The Company has its own approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 Day's basic salary payable for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to Sandhya Spinning Mill Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the actuarial valuation by an independent external actuary as at the Balance sheet date using the projected unit credit method.

Leave Encashment:

The Company has a policy of allowing encashment of un-availed leave for its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the balance sheet date, using projected unit credit method. The Company presents the entire compensated absences as 'Short term provisions'. Since employee has an unconditional right to avail the leave at any time during the year.

Actuarial gains and losses, if any, in respect of Defined Benefit plans are charged to statement of Profit and Loss.

L. Borrowing Costs

- (i) Borrowing cost include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.
- (ii) Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets are capitalized as part of the cost of those assets upto the date of capitalization of such asset.

M. Segment Reporting

- (i) The company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the company as a whole.
- (ii) The Company identifies business segment as the primary segment. Under the primary segment, there are two reportable segments viz., Textiles and Power generation from Windmills.
- (iii) Segments were identified considering the nature of the products, the differing risks and returns as per Accounting Standard -17 (Segment Reporting). The inter-segment transfers of units of power from windmills are recognized at the applicable tariff rates of the electricity boards for the purpose of segment reporting as per the relevant accounting standard.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

- (iv) Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general other income and expenses which are not allocated to any business segment.

N. Earnings per share

Basic earnings per share is computed by dividing net profit after tax by weighted average number of equity shares outstanding during the year as stipulated in Accounting Standard - 20 (Earnings per share).

O. Income Tax

- (i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 2025 and other applicable tax laws.
- (ii) Current tax assets and liabilities are offset since the Company has legally enforceable right to set off the recognized amounts and intends to settle the asset and the liability on a net basis.
- (iii) Deferred tax is recognized on timing difference between taxable income and the accounting income that originates in one period and is capable of reversal in one or more subsequent periods. It is recognized based on the accumulated timing difference using the tax rates and the tax laws enacted or substantially enacted as on reporting date.
- (iv) The deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is un-absorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. This is reviewed for reliability at each Balance Sheet date.
- (v) Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right for such set off.
- (vi) Deferred tax on items directly recognized in reserves is also recognized in reserves and not in the Statement of Profit and Loss.

P. Intangible Assets

- (i) The costs of computer software that are installed are accounted at cost of acquisition of such software and are carried at cost less accumulated amortization and impairment, if any. Internally generated software is not capitalized and the expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.
- (ii) The cost incurred for establishing power transmission system for drawl of power from State grid to the Mill is capitalized as the Company is expected to yield future economic benefits for its unrestricted usage.
- (iii) The intangible assets that are not yet ready for their intended use are carried at cost including related expenses and attributable interest are recognized as Intangible assets under development.

Q. Impairment of Assets

- (i) The carrying values of tangible assets, cash generating units and intangible assets at each balance sheet date are reviewed for impairment if any indication of impairment based on internal and external factors exists.
- (ii) Tangible asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. The intangible assets are treated as impaired when the asset is not available for use and no future economic benefits are expected from its use. After recognition of impairment loss, the depreciation for the fixed assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- (iii) An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- (iv) An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

R. Provision, Contingent Liabilities and Contingent Assets

- (i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources in respect of which a reliable estimate can be made. Such provisions are not discounted to their present value except relating to retirement benefits. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- (ii) Insurance claims are accounted for on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.
- (iii) Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognized but disclosed its existence in the financial statements. Contingent Assets are neither recognized nor disclosed.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(₹ in Lakhs)	
	For the period ended 31-03-2026	For the hyear ended 31-03-2025
NOTE NO. 4		
SHARE CAPITAL		
Authorised		
3,30,00,000 Equity Shares of ₹ 10/- each	3,300.00	3,300.00
(PY: 3,30,00,000 Equity Shares of ₹ 10/- each)		
40,00,000, 7.50% Cumulative Redeemable Preference Shares of ₹ 10/- each	400.00	400.00
(PY: 40,00,000, 7.50% Cumulative Redeemable Preference Shares of ₹ 10/- each)		
	<u>3,700.00</u>	<u>3,700.00</u>
Issued, Subscribed and Fully paid-up		
3,26,18,181 Equity Shares of ₹ 10/- each	3,261.82	3,261.82
(PY: 3,26,18,181 Equity Shares of ₹ 10/- each)		
30,00,000 7.50% Cumulative Redeemable Preference Shares of ₹ 10/- each*	300.00	300.00
(PY: 30,00,000 7.50% Cumulative Redeemable Preference Shares of ₹ 10/- each)		
	<u>3,561.82</u>	<u>3,561.82</u>

* The Preference Shares of ₹ 3 Crore shall be redeemable at par, anytime after the expiry of 2 years, in a overall period of 20 years in single or multiples instalments, at the option of the company.

A. Reconciliation of the number of Shares outstanding

Particulars	As at 31-03-2026		As at 31-03-2025	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Number of shares at the beginning	3,26,18,181	3,261.82	3,26,18,181	3,261.82
Number of Shares at the end	3,26,18,181	3,261.82	3,26,18,181	3,261.82
Preference Shares				
Number of shares at the beginning	30,00,000	300.00	30,00,000	300.00
Number of Shares at the end	30,00,000	300.00	30,00,000	300.00

B. Rights / Restrictions attached to Equity Shares

The Company has one class of equity shares having a face value of ₹ 10/- each. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. List of Shareholders holding more than 5 percent in the Company

Particulars	As at 31-03-2026		As at 31-03-2025	
	No. of Shares	% of holding	No. of Shares	% of holding
(I) Equity Shares				
Smt.B. SriSandhya Raju	3,15,39,767	96.69%	3,15,39,767	96.69%
(II) 7.50% Cumulative Redeemable Preference Shares				
Smt. B. SriSandhya Raju	30,00,000	100.00%	30,00,000	100.00%

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

D. Shareholders holding of Promoters as at 31-03-2026

I. Equity Share Capital :

S. No.	Particulars	No. of Shares	% of Total Shares	% of Changes during the year
1	Shri P.R. Venketrama Raja	42,000	0.13%	-
2	Smt. B. SriSandhya Raju	3,15,39,767	96.69%	-
3	Smt. R. Sudarsanam	43,400	0.13%	-
4	Smt. P.V. Nirmala Raju	42,000	0.13%	-
5	Shri P.V. Abinav Ramasubramaniam Raja	1,40,000	0.43%	-
6	Master Vikramaditya Raju M/G. Smt. B. SriSandhya Raju	4,18,600	1.28%	-
Total		3,22,25,767	98.79%	-

II. 7.50% Cumulative Redeemable Preference Share Capital :

S. No.	Particulars	No. of Shares	% of Total Shares	% of Changes during the year
1	Smt. B. SriSandhya Raju	30,00,000	100%	-
	Total	30,00,000	100%	

E. Shareholders holding of Promoters as at 31-03-2025

I. Equity Share Capital :

S. No.	Particulars	No. of Shares	% of Total Shares	% of Changes during the year
1	Shri P.R. Venketrama Raja	42,000	0.13%	-
2	Smt. B. SriSandhya Raju	3,15,39,767	96.69%	-
3	Smt. R. Sudarsanam	43,400	0.13%	-
4	Smt. P.V. Nirmala Raju	42,000	0.13%	-
5	Shri P.V. Abinav Ramasubramaniam Raja	1,40,000	0.43%	-
6	Master Vikramaditya Raju M/G. Smt. B. SriSandhya Raju	4,18,600	1.28%	-
Total		3,22,25,767	98.79%	-

II. 7.50% Cumulative Redeemable Preference Share Capital :

S. No.	Particulars	No. of Shares	% of Total Shares	% of Changes during the year
1	Smt. B. SriSandhya Raju	30,00,000	100%	-
	Total	30,00,000	100%	

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

		(₹ in Lakhs)	
Particulars	As at 31-03-2026	As at 31-03-2025	
NOTE NO. 5			
RESERVES AND SURPLUS			
Securities Premium Reserve			
Balance as per Last Financial Statement	58.37		58.37
General Reserve			
Balance as per Last Financial Statement	700.00	700.00	
Add: Transfer from Surplus Account	-	-	700.00
Surplus in the statement of Profit and Loss			
Opening Balance	(2,802.30)	(1,632.17)	
Add: Profit / (Loss) for the Year	(806.77)	(1,170.13)	
	<u>(3,609.07)</u>	<u>(2,802.30)</u>	
Less: Appropriations			
Proposed Dividends	-	-	
Preference Dividends	-	-	
Transfer to General Reserve	-	-	
	<u>-</u>	<u>-</u>	
	<u>(3,609.07)</u>	<u>-</u>	(2,802.30)
	<u>(2,850.70)</u>	<u>(2,802.30)</u>	<u>(2,043.93)</u>

NOTE NO. 6

LONG TERM BORROWINGS

Secured

Term Loan from Banks / Non-Banking Financial Company	12,197.11	12,141.19
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Unsecured

Term Loan from Non-Banking Financial Company	700.00	1,200.00
	<u>12,897.11</u>	<u>13,341.19</u>

- a) Term Loan from Banks/NBFC are secured by pari-passu first charge on the fixed assets of the Company and a pari-passu second charge on the current assets of the Company.
- b) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.
- c) Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time.
- d) The Long Term Loans borrowings from Banks/Non-Banking Financial Company are repayable in quarterly/half-yearly/yearly installments. The year wise repayment of Term Loans are as follows:

Year	Amount	Amount
2026-27	-	4,238.00
2027-28	6,567.00	3,765.00
2028-29	2,986.00	2,586.00
2029-30	2,904.00	2,512.00
2030-31	440.11	240.19
Total	12,897.11	13,341.19

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(₹ in Lakhs)	
	As at 31-03-2026	As at 31-03-2025
NOTE NO. 7		
DEFERRED GOVERNMENT GRANTS		
Deferred Income Government Grant	992.98	1,041.41
	<u>992.98</u>	<u>1,041.41</u>
NOTE NO. 8		
LONG TERM PROVISIONS		
Provision for Employee Benefits	132.87	139.96
	<u>132.87</u>	<u>139.96</u>
NOTE NO. 9		
SHORT TERM BORROWINGS		
Secured		
Loan Repayable on Demand from Banks	7,197.39	6,389.23
Unsecured		
Loan Repayable on Demand from Banks	950.00	-
Current Maturities of Long Term Debt	5,239.00	4,595.00
Loan from Related Parties [Refer Note No.32(11)(e)]	438.00	140.75
Loan from Related Parties [Refer Note No.32(6)]	3.11	3.43
	<u>13,827.50</u>	<u>11,128.41</u>

- Notes: (i) Short term Borrowings (other than Current maturities of Long term Borrowings) are secured by way of first pari passu hypothecation charge on trade receivables and inventories of the Company and pari passu second charge on entire fixed assets of the Company both present and future.
- (ii) The quereary returns or statements filed by the Company with the banks or Non-Banking Financial Company are in agreement with the books of accounts.
- (iii) The Company has used the borrowings from banks for the specific purpose for which it was taken as at the reporting date.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(₹ in Lakhs)	
	As at 31-03-2026	As at 31-03-2025
NOTE NO. 10		
TRADE PAYABLES		
Dues of Micro Enterprises and Small Enterprises	17.68	76.61
Dues of Creditors other than Micro Enterprises and Small Enterprises	281.24	573.06
	<u>298.92</u>	<u>649.67</u>
Notes: (i) The categorization of supplier as MSME registered under The Micro, Small and Medium Enterprises Development Act, 2006, has been determined based on the information available with the company as at the reporting date. The disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006 are furnished as below:		
(a) (1) The principal amount remaining unpaid to any supplier at the end of the financial year included in Trade payables	17.68	76.61
(2) The interest due on the above	-	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Act	-	-
(c) The amount of the payment made to the supplier beyond the appointed day during the financial year	-	-
(d) The amount of interest accrued and remaining unpaid at the end of financial year	-	-
(e) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act	-	-
(ii) Trade Payables aging schedule given in Note No. 32(13)(a).		
NOTE NO. 11		
OTHER CURRENT LIABILITIES		
Interest Accrued but not Due on Borrowings	70.02	91.20
Unclaimed Dividends	0.72	0.73
Liabilities for Other Finance	1,120.00	1,108.23
	<u>1,190.74</u>	<u>1,200.16</u>
NOTE NO. 12		
SHORT TERM PROVISIONS		
Provision for Employee Benefits	109.50	113.39
	<u>109.50</u>	<u>113.39</u>

SANDHYA SPINNING MILL LIMITED, RAJAPALAYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE NO. 13

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Year	Gross block				Depreciation			Net block	
		As at the beginning of the year	Additions made during the year	Sold / withdrawn during the year	As at end of the year	As at the beginning of the year	For the year	Withdrawn	As at the end of the year	As at the beginning of the year
Property, Plant and Equipments										
Land	2025-26	252.13	-	7.06	245.07	-	-	-	245.07	252.13
	2024-25	267.23	-	15.10	252.13	-	-	-	252.13	267.23
Buildings	2025-26	3,754.09	8.92	-	3,763.01	1,486.25	82.52	-	1,568.77	2,267.84
	2024-25	3,743.50	10.59	-	3,754.09	1,399.62	86.63	-	1,486.25	2,343.88
Plant and machinery	2025-26	26,467.11	450.49	108.41	26,809.19	13,100.24	972.62	42.08	14,030.78	13,366.87
	2024-25	26,748.33	83.92	365.14	26,467.11	12,351.78	977.19	228.73	13,100.24	14,396.55
Electrical machinery	2025-26	811.31	2.08	-	813.39	669.58	18.67	-	688.25	141.73
	2024-25	812.82	4.34	5.85	811.31	656.27	18.50	5.19	669.58	156.55
Furniture & Office Equipments	2025-26	300.32	15.83	-	316.15	165.67	18.66	-	184.33	134.65
	2024-25	298.90	1.64	0.22	300.32	145.85	19.91	0.09	165.67	153.05
Vehicles	2025-26	117.27	-	9.62	107.65	79.20	12.63	8.70	83.13	38.07
	2024-25	117.27	-	-	117.27	65.59	13.61	-	79.20	51.68
Total - Tangible Assets	2025-26	31,702.23	477.32	125.09	32,054.46	15,500.94	1,105.10	50.78	16,555.26	16,201.29
	2024-25	31,988.05	100.49	386.31	31,702.23	14,619.11	1,115.84	234.01	15,500.94	17,368.94
Intangible Assets										
Computer Software	2025-26	25.70	-	-	25.70	25.70	-	-	25.70	-
	2024-25	25.70	-	-	25.70	25.70	-	-	25.70	-
Dedicated Feeder Line	2025-26	35.14	-	-	35.14	35.14	-	-	35.14	-
	2024-25	35.14	-	-	35.14	35.14	-	-	35.14	-
Total - Intangible Assets	2025-26	60.84	-	-	60.84	60.84	-	-	60.84	-
	2024-25	60.84	-	-	60.84	60.84	-	-	60.84	-

Notes: (a) No Borrowings cost have been capitalised for current year. (PY. NIL)
(b) All the fixed assets have been pledged as security for borrowings.
(c) The Company has not revalued its property plant and equipments.
(d) All the title deeds of immovable properties are held in the name of the Company.

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(₹ in Lakhs)	
	As at 31-03-2026	As at 31-03-2025

NOTE NO. 14

NON-CURRENT INVESTMENTS

I. Investment in Equity Instruments, Non-Trade

Name of the Company	No. of Shares	Face Value ₹ per share	Cost	Cost
a) Quoted				
Rajapalayam Mills Limited	624	10	1.40	1.40
Total quoted Investment (A)			<u>1.40</u>	<u>1.40</u>
b) Unquoted				
Ramco Industrial and Technology Services Limited	20,000	10	2.00	2.00
Ramco Windfarms Limited	1,53,000	1	-	1.53
Green Infra Clean Wind Generation Limited	15,75,000	10	157.50	157.50
Clean Max Opus Private Limited	7,461	10	352.95	252.53
Total un-quoted Investment (B)			<u>512.45</u>	<u>413.56</u>
II. Other Non-current Investment, Non-Trade				
Ramco Group Employees' Co-operative Stores Limited	500	1	0.01	0.01
Total other Investment (C)			<u>0.01</u>	<u>0.01</u>
Aggregate Value of Investments (A+B+C)			<u>513.86</u>	<u>414.97</u>
Aggregate Value of:				
Quoted Investments - Cost			1.41	1.41
- Market Value			4.82	5.05
Unquoted Investments - Cost			512.45	413.56

NOTE NO. 15

LONG TERM LOANS AND ADVANCES

Unsecured, considered good

Security Deposits	542.76	533.53
	<u>542.76</u>	<u>533.53</u>

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(₹ in Lakhs)	
	As at 31-03-2026	As at 31-03-2025
NOTE NO. 16		
DEFERRED TAX ASSET		
Deferred Tax Asset		
Tax effect on unabsorbed depreciation under Income Tax Act, 1961	2,154.74	1,808.03
Tax effect on Provision for Bonus and Leave Encashment	54.56	49.67
Deferred Tax Liability		
Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	(1,951.21)	(1,816.45)
Deferred Tax Asset	<u>258.09</u>	<u>41.25</u>
NOTE NO. 17		
Other Non-Current Assets		
Govt. Grant Receivable	708.34	907.19
	<u>708.34</u>	<u>907.19</u>
NOTE NO. 18		
INVENTORIES		
Finished Goods	354.71	552.10
Raw Materials - Cotton & Cotton Waste	5,488.99	4,344.64
Stores and Spares	48.96	48.39
Work-in-Progress (Cotton, Yarn)	1,015.54	1,205.71
	<u>6,908.20</u>	<u>6,150.84</u>

Notes: (i) The total carrying amount of inventories as at reporting date has been pledged as Security for Borrowings.
(ii) The mode of valuation of inventories has been stated in the Note No. 3(a).

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(₹ in Lakhs)	
	As at 31-03-2026	As at 31-03-2025
NOTE NO. 19		
TRADE RECEIVABLES		
Secured, considered good		
Trade Receivables less than six months	2,218.48	1,409.33
Unsecured, considered good		
Trade Receivables less than six months	1,331.96	2,051.25
Trade Receivables more than six months	125.05	125.76
	<u>3,675.49</u>	<u>3,586.34</u>
Notes: (i) Trade receivables are generally non-interest bearing.		
(ii) No trade receivable are due from Directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a Member.		
(iii) The total carrying amount of trade receivables has been pledged as security for Borrowings.		
(iv) Trade Receivables ageing schedule have been provided in Note No. 32(13)(c).		
NOTE NO. 20		
CASH AND BANK BALANCES		
Cash on Hand	0.50	0.80
Balance with Bank		
In Current Account	374.11	14.87
In Deposit Account for Margin Money	10.75	40.43
In Unclaimed Dividend Warrant Account	0.72	0.73
	<u>386.08</u>	<u>56.83</u>
NOTE NO. 21		
SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Advance to Suppliers / Others	1,067.96	602.18
Advance Income-Tax paid and TDS	18.03	35.32
	<u>1,085.99</u>	<u>637.50</u>
NOTE NO. 22		
OTHER CURRENT ASSETS		
Accrued Income	215.17	401.91
Prepaid Expenses	98.21	153.66
Other Current Assets	207.07	46.12
	<u>520.45</u>	<u>601.69</u>

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

		(₹ in Lakhs)	
Particulars	For the year ended 31-03-2026	For the year ended 31-03-2025	
NOTE NO. 23			
REVENUE FROM OPERATION			
Sale of Products			
Yarn	23,624.46	24,432.58	
Waste Cotton	<u>144.93</u>	<u>185.31</u>	
	23,769.39		24,617.89
Other operating revenues			
Export Incentive	26.33		17.81
Scrap Sales	5.37		2.23
Textile Processing Charges Received	12.09		4.55
	<u>23,813.18</u>		<u>24,642.48</u>
NOTE NO. 24			
FINANCE INCOME			
Interest Received	36.24		102.49
	<u>36.24</u>		<u>102.49</u>
NOTE NO. 25			
OTHER INCOME			
Profit on Sale of Assets	12.46		49.60
Profit on Sale of Cotton	37.70		44.00
Deferred Govt. Grant	48.43		21.10
Miscellaneous Income	87.80		61.68
Exchange Gain on Foreign Currency Transactions	46.07		38.96
	<u>232.46</u>		<u>215.34</u>
NOTE NO. 26			
COST OF MATERIALS CONSUMED			
Raw Materials Consumed			
Cotton & Cotton Waste	13,511.73		14,566.34
	<u>13,511.73</u>		<u>14,566.34</u>
NOTE NO. 27			
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS			
Opening stock			
Finished Goods	552.10	460.05	
Work-in-Progress	<u>1,205.71</u>	<u>1,251.20</u>	1,711.25
Less:			
Closing Stock			
Finished Goods	354.71	552.10	
Work-in-Progress	<u>1,015.54</u>	<u>1,205.71</u>	1,757.81
Net Decrease / (Increase) in Stock	<u>387.56</u>		<u>(46.56)</u>

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

		(₹ in Lakhs)	
Particulars	For the year ended 31-03-2026	For the year ended 31-03-2025	
NOTE NO. 28			
EMPLOYEE BENEFIT EXPENSES			
For Employees Other than Directors			
Salaries, Wages and Bonus	1,806.47	1,827.28	
Contribution to Provident and Other Funds	212.61	227.97	
Staff and Labour Welfare Expenses	<u>203.83</u>	<u>227.96</u>	2,283.21
For Managing Director			
Managing Director Remuneration	120.00	120.00	
Contribution to Provident and Other Funds	7.50	7.50	
Sitting Fees	<u>0.30</u>	<u>0.30</u>	127.80
	<u><u>2,350.71</u></u>		<u><u>2,411.01</u></u>
NOTE NO. 29			
FINANCE COSTS			
Interest Expenses	2,121.35		2,456.05
Exchange Fluctuation (Net applicable to Finance Cost)	62.77		31.47
Other Borrowing Costs	<u>24.31</u>		<u>23.29</u>
	<u><u>2,208.43</u></u>		<u><u>2,510.81</u></u>
NOTE NO. 30			
OTHER EXPENSES			
MANUFACTURING EXPENSES			
Power and Fuel	1,963.93	2,331.15	
Packing Materials Consumption	414.62	378.27	
Repairs to Building	54.04	66.46	
Repairs to Plant and Machinery	522.72	561.09	
Repairs - General	451.13	489.40	
Jobwork Charges Paid	<u>364.44</u>	<u>365.12</u>	4,191.49

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(₹ in Lakhs)	
	For the year ended 31-03-2026	For the year ended 31-03-2025
ESTABLISHMENT EXPENSES		
Rates and Taxes	64.59	42.21
Insurance	86.15	78.46
Postage and Telephone	7.11	7.11
Printing and Stationery	4.28	4.34
Travelling Expenses	28.25	26.25
Vehicle Maintenance	25.75	25.15
Exchange Loss on Foreign Currency Transactions	228.11	42.66
Directors Sitting Fees to Non-Executive Directors	6.00	5.55
Rent	115.76	109.56
Audit and Legal Expenses	18.53	19.53
Corporate Social Responsibility Expenses	-	1.55
Loss on Sales of Assets	54.05	205.03
Miscellaneous Expenses	<u>176.20</u>	<u>166.31</u>
	814.78	733.71
SELLING EXPENSES		
Sales Commission	175.06	173.88
Export Expenses	96.04	49.07
Other Selling Expenses	<u>193.90</u>	<u>158.01</u>
	465.00	380.96
	<u>5,050.66</u>	<u>5,306.16</u>
NOTE NO. 31		
DEFERRED TAX (ASSET) / LIABILITY		
Deferred tax savings for Current Year	(257.37)	(405.78)
Deferred tax expenses related to Prior Period	40.53	-
	<u>(216.84)</u>	<u>(405.78)</u>

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE NO. 32

OTHER DISCLOSURES

(₹ in Lakhs)

	As at 31-03-2026	As at 31-03-2025
1. Contingent Liabilities		
Liability on Letter of Credit opened		
Capital Goods	20.60	1.64
2. Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account not provided	587.56	686.93
(ii) Other Commitments:		
Liability on guarantees given by the bankers	69.30	172.42
(iii) Export Promotion Scheme		
(a) Export obligations against the import licenses taken for import of capital goods under the Export Promotion on Capital Goods Scheme and Advance License Scheme for import of raw material	16,384.00	15,567.00
(b) Duty amount involved under EPCG Scheme	73.38	-
(b) Duty amount involved under Advance License Scheme	1,335.00	1,192.00

Note: Company is availing benefit under EPCG scheme for import of capital goods and spare parts against obligation to export six times of the duty saved. The export obligation under EPCG scheme to be fulfilled on or before 30th April, 2031. The Company is also importing cotton under Advance Licence Scheme against obligation to export the yarn within 18 months from date of license. The export obligation under the Advance License Scheme to be fulfilled on or before 31st December, 2027.

3. Sales Tax Assessment upto year ended 31st March, 2017 has been completed.
4. Income tax assessment has been completed upto the Accounting Year ended on 31-03-2024 i.e., Assessment year 2024-25.
5. In respect of Electricity matters, Appeals / Writ petition are pending with TNERC / APTEL/High Court for various matters for which no provision has been made in the books of accounts to the extent of ₹ 2.06 Crores (PY: ₹ 2.06 Crores). In view of the various case laws decided in favour of the Company and in the opinion of the management. There may not be any tax liability on this matter.
6. Details of Loans from Directors under "Loan from Related Parties" are:

Name	Closing Balance as on		Interest Paid	
	31-03-2026	31-03-2025	2025-26	2024-25
Smt. B. SriSandhya Raju	2.91	3.25	0.22	0.35
Smt. P.V. Nirmala Raju	0.20	0.18	0.01	0.01
	3.11	3.43	0.23	0.36

7. Auditors' remuneration (Excluding GST) & expenses:

Statutory Auditors:	2025-26	2024-25
Statutory Audit Fees	2.00	1.75
Tax Audit Fees	1.10	1.00
Other Certification Fees	1.62	0.61
Cost Auditors		
Cost Audit Fees	0.80	0.75
Secretarial Auditor		
Secretarial Audit Fees	0.40	0.30
Other Certification Fees	0.04	0.41
Total	5.96	4.82

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

8. As per Accounting Standard -15 (Revised 2005) "Employee Benefits", the disclosures of employee benefits as defined in the Accounting Standard are given below:

	(₹ in Lakhs)	
	2025-26	2024-25
Defined Contribution Plan:		
Employer's Contribution to Provident Fund	144.24	144.24
Employer's Contribution to Superannuation Fund	9.51	11.26
Details of the post retirement gratuity plan (Funded) are as follows:		
Reconciliation of opening and closing balances of defined benefit plan:		
Defined Benefit Obligation as at the beginning of the year	345.24	309.99
Current Service Cost	31.50	30.25
Past Service Cost - (Non-vested benefits)	NIL	NIL
Past Service Cost - (Vested benefits)	24.15	NIL
Interest Cost	22.46	20.89
Actuarial (gain) / loss	(-)29.72	4.78
Benefits paid	(-)28.05	(-)20.67
Defined Benefit obligation as at the end of the year	365.58	345.24
Reconciliation of opening and closing balances of fair value of plan assets:		
Fair value of plan assets as at the beginning of the year	308.95	242.90
Expected return on plan assets	24.05	18.65
Actuarial gain / (loss)	(-)1.54	0.43
Employer Contribution	36.57	67.64
Benefits paid and charges deducted	(-)28.05	(-)20.67
Fair value of plan assets as at the end of the year	339.98	308.95
Actual Return of plan assets:		
Expected return of plan assets	24.05	18.65
Actuarial gain / (loss) on plan assets	(-)1.54	0.43
Actual return on plan assets	22.52	19.08
Reconciliation of fair value of assets and obligations:		
Fair value of plan assets	339.98	308.95
Present value of obligation	365.58	345.24
Difference	25.60	36.29
Unrecognized transitional liability	NIL	NIL
Amount recognized in Balance Sheet	NIL	NIL

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	2025-26	2024-25
Expense recognized during the year:		
Current Service Cost	31.50	30.25
Interest Cost	22.46	20.88
Expected return on plan assets	(-)24.05	18.65
Actuarial (gain) / loss	(-)28.18	4.34
Past service cost-non-vested benefits	NIL	NIL
Past service cost-vested benefits	24.15	NIL
Net Cost	25.88	36.83
Investment Details as on 31-03-2026:		
GOI Securities	NIL	NIL
Funds with LIC	100%	100%
Bank balance	NIL	Nil
Others	NIL	Nil
Total	100%	100%
Actuarial assumptions:		
Indian Assured Lives (2012-14) Ultimate Table applied for Service Mortality rate	Yes	Yes
Discount rate p.a	7.60%	6.78%
Expected rate of return on plan assets p.a	NIL	NIL
Rate of escalation in salary p.a	3.75%	3.75%
Details of the Leave encashment plan (Un-Funded) are as follows:		
Reconciliation of opening and closing balances of obligation:		
Defined Benefit Obligation as on 01-04-2025	103.68	114.14
Current Service Cost	16.52	17.20
Interest Cost	6.65	7.13
Past Service Cost - Vested benefits	4.94	NIL
Actuarial (gain) / loss	(-)13.38	(-)11.15
Benefits paid	(-)11.14	(-) 23.65
Defined Benefit obligation as on 31-03-2026	107.27	103.67
Reconciliation of opening and closing balances of fair value of plan assets:		
Fair value of plan assets as on 01-04-2025	NIL	NIL
Expected return on plan assets	NIL	NIL
Actuarial gain / (loss)	NIL	NIL
Employer contribution	11.14	23.65
Benefits paid	(-)11.14	(-)23.65
Fair value of plan assets as on 31-03-2026	NIL	NIL
Actual Return of plan assets:		
Expected return of plan assets	NIL	NIL
Actuarial gain / (loss) on plan assets	NIL	NIL
Actual return on plan assets	NIL	NIL

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	2025-26	2024-25
Reconciliation of fair value of Assets and obligations		
Fair value of plan assets	NIL	NIL
Present value of obligation	107.27	103.67
Difference	(-)107.27	(-)103.67
Unrecognized past service cost-non-vested benefits	NIL	NIL
Amount recognized in Balance Sheet	107.27	103.67
Expense recognized during the year:		
Current Service Cost	16.52	17.20
Interest Cost	6.65	7.13
Expected return on plan assets	NIL	NIL
Actuarial (gain) / loss	(-)13.38	(-)11.15
Past Service cost	4.94	NIL
Net Cost	14.73	13.18
Investment Details as on 31-03-2026:		
GOI Securities	NIL	NIL
State Government	NIL	NIL
Securities High Quality	NIL	NIL
Funds with LIC	NIL	NIL
Bank balance	NIL	NIL
Others	NIL	NIL
Total	NIL	NIL
Actuarial assumptions		
Indian Assured Lives (2012-14) Ultimate Table applied for Service Mortality rate	YES	YES
Discount rate p.a	7.60%	6.78%
Expected rate of return on plan assets p.a.	NIL	NIL
Rate of escalation in salary p.a.	3.75%	3.75%
Attrition Rate	0.10%	0.10%

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

9. The Segment Information for the year ended 31-03-2026

(₹ in Lakhs)

Particulars	Textiles		Power from Windmills		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
REVENUE						
External Sales (Net)	23,813.18	24,642.48	-	-	23,813.18	24,642.48
Inter Segment Sale	-	-	1,687.30	1,287.58	1,687.30	1,287.58
Total Sales	23,813.18	24,642.48	1,687.30	1,287.58	25,500.48	25,930.06
Other Income	232.47	215.34	-	-	232.47	215.34
Total Revenue	24,045.65	24,857.82	1,687.30	1,287.58	25,732.95	26,145.40
RESULT						
Segment Result	1,419.64	1,408.20	834.04	540.05	2,253.68	1,948.25
Unallocated Income	-	-	-	-	36.24	102.50
Unallocated Expenses	-	-	-	-	-	-
Operating Profit	-	-	-	-	2,289.92	2,050.75
Interest Expenses	-	-	-	-	2,208.43	2,510.81
Depreciation	-	-	-	-	1,105.10	1,115.84
Provision for Taxation						
Current Tax	-	-	-	-	-	-
Income Tax paid earlier years	-	-	-	-	-	-
Deferred Tax	-	-	-	-	(216.84)	(405.78)
Profit from ordinary activities	-	-	-	-	(806.77)	(1,170.12)
Exceptional Items	-	-	-	-	-	-
Net Profit	-	-	-	-	(806.77)	(1,170.12)
OTHER INFORMATION						
Segment Assets	28,877.21	27,663.64	1,283.53	1,468.44	30,160.74	29,132.08
Unallocated Assets	-	-	-	-	-	-
Total Assets	-	-	-	-	30,160.74	29,132.08
Segment Liabilities	-	-	-	-	29,191.53	27,572.94
Unallocated Liabilities	-	-	-	-	258.09	41.25
Total Liabilities	-	-	-	-	29,449.62	27,614.19
Capital Expenditure	477.32	100.49	-	-	477.32	100.49
Unallocated Capital Expenditure	-	-	-	-	-	-
Depreciation	920.19	915.33	184.91	200.52	1,105.10	1,115.85
Unallocated Depreciation Expenditure	-	-	-	-	-	-

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

10. Earnings per Share	(₹ in Lakhs)	
Particulars	2025-26	2024-25
Net profit / (Loss) after tax	(806.76)	(1,170.13)
Less: Preference dividend on 30,00,000 Nos of 7.50% Cumulative Redeemable Preference Shares (in ₹)	(22.50)	(22.50)
Total Profit / (Loss) attributable to Equity Shareholders (in ₹)	(829.26)	(1,192.63)
Adjusted weighted average number of equity shares (In Lakhs)	326.18	326.18
Nominal Value per Equity Share (in ₹)	10.00	10.00
Basic & Diluted Earnings per share	(2.54)	(3.66)
	(Nos. in Lakhs)	
Adjusted Weighted average number of Equity Shares		
No. of Shares at the beginning of the year	326.18	326.18
Adjusted Weighted average number of Equity Shares	326.18	326.18

11. Related Party Transactions

As per Accounting Standard-18 (Related Party Disclosures) issued by the Institute of Chartered Accountants of India, the Company's related parties are given below:

a. List of Key Management Personnel & Relatives:

Shri P.R. Venketrama Raja, Chairman
Smt. B. SriSandhya Raju, Managing Director
Smt. R. Sudarsanam, Director
Smt. P.V. Nirmala Raju, Director
Shri K. Gnaneswaran, Chief Financial Officer
Ms. E. Mohanalogapriya, Secretary

b. Enterprises over which the above persons exercise significant influences and with which the Company had transactions during the year:

(i) Companies

M/s. The Ramco Cements Limited
M/s. Rajapalayam Mills Limited
M/s. Sri Vishnu Shankar Mill Limited
M/s. The Ramaraju Surgical Cotton Mills Limited
M/s. Ramco Industries Limited
M/s. Ramco Systems Limited
M/s. Rajapalayam Textiles Limited
M/s. Digvijai Polytex Private Limited
M/s. Ramco Management Private Limited
M/s. Ramco Windfarms Limited

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

(ii) Public Trusts:

P.A.C.R. Sethurammam Charity Trust.
P.A.C.R. Centenary Trust.

c. Employees Benefits Funds where control exists.

Sandhya Spinning Mill Limited Officers' Superannuation Fund
Sandhya Spinning Mill Limited Employees' Gratuity Fund

The Company's transactions with the above Related Parties are summarized following:

d. Amount Paid to Key Managerial Personnel:

(₹ in Lakhs)

Name of the Related Party	Amount		Nature of Payment
	2025-26	2024-25	
Shri P.R. Venketrama Raja	0.75	0.75	Sitting Fees
Smt. B. SriSandhya Raju	127.50	127.50	Managerial Remuneration
	0.22	0.35	Interest
	0.30	0.30	Sitting Fees
Smt. R. Sudarsanam	0.60	0.60	Sitting Fees
Smt. P.V. Nirmala Raju	0.01	0.01	Interest
	0.30	0.45	Sitting Fees

e. Inter Corporate Deposits Accepted:

Name of the Related Party	Maximum Outstanding		Outstanding as on	
	2025-26	2024-25	31-03-2026	31-03-2025
Digvijai Polytex Private Limited	72.00	91.45	68.00	75.25
Ramco Management Private Limited	370.00	66.61	370.00	65.50

f. Interest paid on Inter Corporate Deposits Accepted:

Name of the Related Party	Interest Paid		Outstanding as on	
	2025-26	2024-25	31-03-2026	31-03-2025
Digvijai Polytex Private Limited	4.57	6.05	Nil	Nil
Ramco Management Private Limited	8.44	5.52	Nil	Nil

g. Corporate Guarantee Availed:

Name of the Related Party	2025-26	2024-25
Rajapalayam Mills Limited	20,000.00	16,000.00

h. Sale of Fixed Assets:

Name of the Related Party	Value		Outstanding as on	
	2025-26	2024-25	31-03-2026	31-03-2025
The Ramaraju Surgical Cotton Mills Limited	-	1.47	NIL	NIL
Sri Vishnu Shankar Mill Limited	-	2.33	NIL	NIL
Rajapalayam Mills Limited	3.89	-	NIL	-

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

i. Sale of Goods / Services rendered:

Name of the Related Party	Value		Outstanding as on	
	2025-26	2024-25	31-03-2026	31-03-2026
Rajapalayam Mills Limited	4,273.50	5,907.68	NIL	NIL
Ramco Industries Limited	1,915.88	5,067.75	NIL	705.95
Sri Vishnu Shankar Mill Limited	402.91	766.60	NIL	NIL
The Ramaraju Surgical Cotton Mills Limited	795.99	1,808.28	NIL	NIL
Rajapalayam Textile Limited	212.65	94.90	NIL	NIL
The Ramco Cements Limited	1.53	-	NIL	NIL

j. Purchase of Fixed Assets:

Name of the Related Party	Value		Outstanding as on	
	2025-26	2024-25	31-03-2026	31-03-2025
Ramco Industries Limited	2.12	6.62	Nil	Nil
Rajapalayam Mills Limited	0.65	-	Nil	Nil

k. Cost of Goods & Services purchased / availed:

Name of the Related Party	Value		Outstanding as on	
	2025-26	2024-25	31-03-2026	31-03-2025
Rajapalayam Mills Limited	4,359.73	4,262.76	Nil	Nil
Sri Vishnu Shankar Mill Limited	884.86	1,259.05	Nil	Nil
Ramco Industries Limited	890.99	1,376.05	Nil	52.36
Rajapalayam Textile Limited	112.44	62.65	Nil	Nil
The Ramaraju Surgical Cotton Mills Limited	157.10	202.20	Nil	Nil
P.A.C.R. Sethurammam Charity Trust	17.04	21.80	Nil	Nil
The Ramco Cements Limited	23.04	14.66	Nil	Nil
Ramco Systems Limited	14.28	15.48	Nil	Nil

l. Purchase of Investment

Name of the Related Party	2025-26	2024-25
Ramco Industries Limited	100.42	-

Purchase of 1,903 number of equity shares of Clean Max Opus Private Limited.

m. Sale of Investments

Name of the Related Party	2025-26	2024-25
The Ramco Cements Limited	1.53	-

Purchase of 1,53,000 number of equity shares of Ramco Windfarms Limited.

n. Dividend Received

Name of the Related Party	2025-26	2024-25
Rajapalayam Mills Limited	0.01	0.01

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

o. Contribution to Superannuation Fund / Gratuity Fund

Particulars	2025-26	2024-25
Sandhya Spinning Mill Limited Officers' Superannuation Fund	9.77	11.26
Sandhya Spinning Mill Limited Employees Gratuity Fund	28.06	36.83

12. Other additional information pursuant to the Schedule III of the Companies Act, 2013

(a) Value of Imports calculated on CIF Value

Particulars	2025-26	2024-25
Raw Materials	6,946.96	4,322.29
Capital Goods	259.85	15.75
Components and Spares	230.83	26.15
Total	7,437.64	4,364.19

(b) Expenditure in Foreign Exchange during the year

Particulars	2025-26	2024-25
Interest	191.29	299.72
Export Sales Commission	60.21	80.79
Quality Claim	-	26.44
Technical Services	-	0.51
Foreign Travel	12.36	31.31
Membership Fees and Certification charges	7.53	8.54
Total	271.39	420.87

(c) Value of Raw Materials, Stores & Spare parts consumed

Particulars	2025-26		2024-25	
	Amount	%	Amount	%
Raw Materials				
Imported	10,214.14	69	9,817.28	63
Indigenous	4,503.91	31	5,866.55	37
Spares and Components				
Imported	7.27	0	8.75	1
Indigenous	1,606.46	100	1,195.20	99

(d) Earnings in Foreign exchange (FOB Value)

Particulars	2025-26	2024-25
Export of Yarn	4,306.09	2,325.92

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

13. Additional regulatory information as required under Companies Act, 2013

(a) Trade Payables Ageing Schedule:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not due	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
As at 31-03-2026						
MSME	17.68	-	-	-	-	17.68
Others	242.75	33.02	0.71	3.75	1.01	281.24
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
Unbilled dues	-	-	-	-	-	-
Total	260.43	33.20	0.71	3.75	1.01	298.92
As at 31-03-2025						
MSME	73.70	2.91	-	-	-	76.61
Others	516.61	51.69	3.75	1.01	-	573.06
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
Unbilled dues	-	-	-	-	-	-
Total	590.31	54.60	3.75	1.01	-	649.67

(b) Capital Work-in-Progress Ageing Schedule

Particulars	Amount in CWIP for a period of				
	< 1 Year	1 – 2 Years	2 – 3 Years	> 3 Years	Total
As at 31-03-2026	62.28	-	-	-	62.28
As at 31-03-2025	0.65	-	-	-	0.65

Note:

- (i) None of the Capital-work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.
- (ii) The Company do not have any projects whose activity has been suspended.
- (iii) The Company has no intangible assets under development.

(c) Trade Receivable Ageing Schedule

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months– 1 Years	1 - 2 Years	2 - 3 Years	> 3 Years	Total
As at 31-03-2026							
Undisputed Trade receivables – considered good	3014.84	534.86	0.04	0.30	-	0.06	3550.50
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	124.99	124.99
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Total	3014.84	534.86	0.04	0.30	-	125.05	3675.49

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months– 1 Years	1 - 2 Years	2 - 3 Years	> 3 Years	Total
As at 31-03-2025							
Undisputed Trade receivables – considered good	2,975.99	484.19	0.55	0.30	-	0.32	3,461.35
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	124.99	124.99
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Total	2,975.99	484.19	0.55	0.30	-	125.31	3,586.34

d) Undisclosed Income

The Company does not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 2025 during any of the years.

e) Relationship with Struck off Companies

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

f) Details of Crypto Currency or Virtual Currency

The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence disclosure relating to it are not applicable.

g) Key Financial Ratios

S.No.	Particulars	UOM	31-03-2026	31-03-2025	Variation in %
(a)	Current Ratio	In multiple	1.40	1.51	-8%
(b)	Debt-Equity Ratio	In multiple	37.58	16.12	133%
(c)	Debt Service Coverage Ratio	In multiple	0.31	0.29	7%
(d)	Return on Equity Ratio	In %	(-)1.13	(-)0.77	-
(e)	Inventory Turnover Ratio	In Days	100.13	117.82	-15%
(f)	Trade receivables Turnover Ratio	In Days	55.68	63.61	-12%
(g)	Trade Payables Turnover Ratio	In Days	7.27	11.35	-36%
(h)	Net Capital Turnover Ratio	In Days	148.53	170.08	-13%
(i)	Net Profit Ratio	In %	(-)3%	(-)5%	-
(j)	Return on Capital employed	In %	5%	5%	-
(k)	Return on Investment (Assets)	In %	(-)3%	(-)4%	-

SANDHYA SPINNING MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

Formula adopted for above Ratios:

- (a) Current Ratio = Current Assets / (Total Current Liabilities - Other Financial Liabilities - Current maturities of Long Term Debt)
- (b) Debt-Equity Ratio = Total Debt / Total Equity
- (c) Debt Service Coverage Ratio = (EBITDA - Current Tax) / (Principal Repayment + Gross Interest)
- (d) Return on Equity Ratio = Total Profit After Tax / Average Total Equity
- (e) Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Average Inventories)
- (f) Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Revenue / Average Trade receivables)
- (g) Trade Payables Turnover Ratio (Average Payable days) = 365 / (Net Revenue / Average Trade payables)
- (h) Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade receivables turnover ratio - Trade payables turnover ratio)
- (i) Net Profit Ratio = Net Profit / Net Revenue
- (j) Return on Capital employed = (Total Profit After Tax + Interest) / (Average of (Equity + Total Debt))
- (k) Return on Investment (Assets) = Total Profit After Tax / Average Total Assets

Reason for variation if more than $\pm 25\%$.

Debt-Equity Ratio:

The increase in debt-equity ratio was due to increase in borrowings and net loss during the financial year 2025-26. The reason for loss is explained in the management discussion and analysis section of the Director Report.

Trade payables Turnover Ratio:

The decrease in Trade Payable Turnover ratio on account of better terms for better working capital management.

14. THE CODE ON SOCIAL SECURITY, 2020, THE INDUSTRIAL RELATIONS CODE, 2020, THE CODE ON WAGES, 2019 AND THE OCCUPATIONAL SAFETY, HEALTH AND WORKING CONDITIONS CODE, 2020

On 21-11-2025, the Central Government notified the Code on Social Security, 2020, the Industrial Relations Code, 2020, the Code on Wages 2019 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Labour Codes"), subsuming various existing labour and industrial laws governing employee benefits during employment and post employment period. The Ministry of Labour & Employment has notified the Central Rules and FAQs to facilitate assessment of the financial impact arising from these regulatory changes. Accordingly, the Company has assessed the financial implications based on an actuarial valuation in accordance with Accounting Standard (AS) 15 Employee Benefits read with FAQ issued by Institute of Chartered Accountants of India (ICAI). Based on such assessment, the Company is of the view that the financial impact of these changes is not material and, therefore, has not been presented as an exceptional item, though the impact has been recognised under Employee Benefits Expenses in the Statement of Profit and Loss for the year ended 31st March 2026. The Company continue to monitor the finalisation of State Rules and any further clarifications issued by the Government in relation to the Labour Codes and will appropriately give effect to such changes in the books, as and when required.

The notes form an integral part of these financial statements.

As per our report annexed

For M.S. JAGANNATHAN & N. KRISHNASWAMI,
Chartered Accountants
Firm Registration No. 001208S

S. SRIVATSAN

Partner
Membership No. 021880

Bengaluru,
29th May, 2026.

For and on behalf of the Board of Directors

Smt. B. SRISANDHYA RAJU
MANAGING DIRECTOR
(DIN: 02325596)

K. GNANESWARAN
CHIEF FINANCIAL OFFICER

Shri P.R. VENKETRAMA RAJA
CHAIRMAN
(DIN: 00331406)

E. MOHANALOGAPRIYA
SECRETARY

NOTES

NOTES



Our Chairman Shri P.R. Venketrama Raja, distributing Service Award to Shri G. Perumalraja, Chief Manager-Civil, for completion of 35 years of service in our Mills.



Our Chairman Shri P.R. Venketrama Raja, distributing Best Supervisor Prize to Shri M. Maheswaran, Junior Manager- Production.



Our Chairman Shri P.R. Venketrama Raja, distributing attendance award to Smt. L. Subbulakshmi, Spinning Cleaner for achieving highest attendance during the year.



SANDHYA SPINNING MILL LIMITED
RAJAPALAIYAM