



SRI NACHAMMAI COTTON MILLS LIMITED

Regd. Office: No.151 "VASANTHAM", 4th Cross Street, New Fairlands, Salem 636 016.

CIN: L17115TZ19SS0PLCC000916 Website : www.sncmindia.com

EXTRACT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUN' 2025

Rs. in Lakhs

S.No.	Particulars	Quarter ended			Year ended
		30.06.25	31.03.2025	30.06.2024	31.03.2025
		Unaudited	Audited	Unaudited	Audited
1	Total Income from Operations	1400.51	1861.58	1727.16	7054.82
2	Net Profit/ (Loss) for the period (before tax, Exceptional and/or Extraordinary items)	(131.93)	(86.39)	(81.52)	(402.91)
3	Net Profit/ (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	526.95	(86.39)	(81.52)	(402.91)
4	Net Profit/ (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	538.35	(60.69)	(95.99)	(320.50)
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	538.13	(62.12)	(95.48)	(322.99)
6	Equity Share Capital	428.64	428.64	428.64	428.64
7	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year	NA	NA	NA	1182.39
8	Earnings Per Share				
	a. Basic	12.56	(1.42)	(2.24)	(7.48)
	b. Diluted	12.56	(1.42)	(2.24)	(7.48)

Notes:

- These financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind As) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules Issued thereunder and in terms of the SEBI (Listing obligations and disclosure requirements) Regulation 2016, as amended.
- The above financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 11 th August 2025 and subject to limited review by the Statutory Auditors of the Company.
- The figures of the last quarter ended March 31, 2025 are the balancing figures between the audited figures in respect of the full financial year and unaudited published figures in respect of the financial results upto the third quarter of the respective financial years.
- The Company had issued redeemable preference shares to its promoters on 26th April 2012 amounting to Rs. 15,00,00,000 (Rupees Fifteen Crores), with an original maturity period of 13 years, i.e., redeemable by April-2025. Pursuant to a proposal for extension of the maturity period, the preference shareholders approved the extension of the redemption period by an additional 7 years in the Extraordinary General Meeting of preference shareholders convened on 13th September 2024, and passed a special resolution at the Extraordinary General Meeting (EGM) held on 3rd December 2024, in accordance with applicable provisions of the Companies Act, 2013 and the terms of issue. In accordance with the requirements of Ind AS 109 – Financial Instruments, the modification in the terms of the financial liability has been assessed to result in substantial modification, warranting derecognition of the existing liability and recognition of a new financial liability at fair value. The existing financial liability relating to these preference shares has been derecognised and a new financial liability has been recognised at its present value of Rs. 8,41,12,213/- on the date of modification. The difference of Rs.6,58,87,787/-, being the excess of the carrying value of the derecognised liability over the present value of the new liability, has been recognised as income in the Statement of Profit and Loss and reported the same as exceptional item in the profit and loss account. The newly recognised financial liability will be amortised over the extended period using the Effective Interest Rate (EIR) method in compliance with Ind AS 109. This accounting treatment has resulted in a one-time income recognition of Rs. 6.58 crores, contributing to the net profit for the current quarter. This modification does not impact the cash flows but affects the profit recognition under applicable accounting standards.
- The current quarter also witnessed poor demand for yarn with continued disparity in the cotton prices compared to yarn price. Hence the company is running only one unit for 3 shifts and henceforth depreciation has been provided accordingly.
- During the quarter ended 30 June 2025, the Company's power and fuel cost has reduced to ₹143.50 lakhs as compared to ₹185.69 lakhs in the corresponding quarter of the previous year. This reduction is primarily attributable to the self-consumption of electricity generated from the solar power plant commissioned during the financial year 2024-25. Further to mitigate the impact of rising power costs, the company has further installed a 2MW solar plant as on this date. The Company is also implementing various cost-control and efficiency-enhancement measures across operations with the objective of reducing operational losses and improving profitability.
- The Company's main business is manufacture and sale of yarn and related products. There are no separate reportable Segments as per Ind As 108 - Operating Segments.
- The previous period figures have been regrouped / rearranged wherever necessary.

By order of the Board
For SRI NACHAMMAI COTTON MILLS LIMITED
SD/-
P.UMAYAL
CHAIRMAN CUM MANAGING DIRECTOR
DIN: 00110260

Date : 11.08.2025
Place : Salem

