



SRI NACHAMMAI COTTON MILLS LIMITED

Regd. Office: No.181 "VASANTHAM", 4th Cross Street, New Fairlands, Salem 636 016.
CIN: L17115TZ1980PLC000916 Website : www.sncmindia.com

Statement of Unaudited Results for the quarter and nine months ended 31st December 2025

Rs. in Lakhs except Earnings per Equity Share)

S. No.	Particulars	Quarter ended on			Nine Months ended on		Year ended
		31.12.2025	30.09.2025	31.12.2024	31.12.2025	31.12.2024	31.03.25
		Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited
1	Total Income from Operations	1679.53	1901.22	1750.17	4981.26	5193.24	7054.82
2	Net Profit/ (Loss) for the period (before tax, Exceptional and/or Extraordinary items)	(357.05)	(185.37)	(165.74)	(674.35)	(316.52)	(402.91)
3	Net Profit/ (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(357.05)	(185.37)	(165.74)	(15.47)	(316.52)	(402.91)
4	Net Profit/ (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(306.41)	(104.93)	(112.47)	127.01	(259.81)	(320.50)
5	Other comprehensive income (net of tax)	(0.47)	(0.12)	(0.79)	(0.81)	(1.06)	(2.49)
6	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(306.88)	(105.05)	(113.26)	126.20	(260.87)	(322.99)
7	Equity Share Capital	428.64	428.64	428.64	428.64	428.64	428.64
8	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year	NA	NA	NA	NA	NA	1182.39
9	Earnings Per Share						
	a. Basic	(7.15)	(2.45)	(2.62)	2.96	(6.06)	(7.48)
	b. Diluted	(7.15)	(2.45)	(2.62)	2.96	(6.06)	(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)
- The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 12th February 2026 and subject to limited review by the statutory Auditors of the company.
- 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, as per the 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 for the nine month period. 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 period. This modification does not impact the cash flows but affects the profit recognition under applicable accounting standards.
- The Current quarter continued 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 31 Dec ' 2025, the Company's power and fuel cost has reduced to ₹91.62 Lakhs as compared to ₹184.36 Lakhs in the corresponding quarter of the previous year. This reduction is primarily attributable to the captive use of electricity generated from the 4 MW Solar power plant commissioned during the financial year 2024–25. The Company is also implementing various cost-control and efficiency-enhancement measures across operations with the objective of reducing operational losses and improving efficiency.
- On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has evaluated the impact of the new labour code for employees and assessed that no material incremental liability arises on the same. The Company is in the process of evaluating other possible impact for contract workforce. However, the Company is of the view that impact, if any, is unlikely to be material. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effects based on such developments as needed.
- 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.
- Previous period figures have been regrouped / rearranged wherever necessary.

Place : SALEM
Date : 12.02.2026

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