

September 04, 2025

To,
The Manager
Dept. of Corporate Services
BSE Ltd.
25th Floor, P.J. Towers, Dalal Street,
Mumbai - 400001

BSE Scrip Code: 542862

Sub.: Notice of 17th Annual General Meeting ('AGM') of the Shahlon Silk Industries Limited ('Company').

Dear Sir/Madam,

This is in furtherance to our intimation dated August 30, 2025 wherein the Company had informed about the 17th AGM of the Company scheduled to be held on Tuesday, September 30, 2025 at 11:00 a.m. through Video Conference ('VC')/ Other Audio Visual Means ('OAVM').

Pursuant to Regulation 34 and Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose herewith Annual Report of the Company for the financial year 2024-25, which includes a Notice of the 17th AGM.

The same is also available on the website of the Company at www.shahlon.com.

This is for your information and record.

Thanking you.

Yours faithfully,

For Shahlon Silk Industries Limited



Hitesh K. Garmora
Company Secretary & Compliance Officer

Encl: As above



ANNUAL REPORT

2024-2025

Shahlon Silk Industries Limited
(CIN: L17120GJ2008PLC053464)



www.shahlon.com



Disclaimer

In this annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/ publish contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as anticipate, estimate, expects, projects intends, plans, believes and words of similar substance in connections with any discussion of Future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results is subject to risks, uncertainties and even inaccurate assumptions.

Table of Content

INDEX	No.
Corporate Information	01
Notice of Annual General Meeting	03
Directors' Report	30
Management Discussion and Analysis Report	55
Report on Corporate Governance	59
Independent Auditors' Report	79
Balance Sheet	89
Profit & Loss Account	91
Cash Flow Statement	92
Notes forming part of Financial Statements	96

Over the past decade, Ms. Patel has actively explored the textile dye industry, with a particular focus on disperse and reactive dye markets.





COMPANY SECRETARY & COMPLIANCE OFFICER

CS Hitesh Kantilal Garmora

CHIEF FINANCIAL OFFICER

Mr. Satish H. Shah

AUDITORS

M/s. HTKS & Co.,
Chartered Accountants, Surat.

SECRETARIAL AUDITOR

Bhairav H. Shukla,
Practicing Company Secretary

BANKERS

01. NKGSB Co-Operative Bank Limited
02. SVC Co-Operative Bank Limited
03. Aditya Birla Finance Ltd.
04. The Cosmos Co-Operative Bank Limited
05. ICICI Bank Limited

REGISTRARS AND SHARE TRANSFER AGENTS

Bigshare Services Private Limited

A/802, Samudra Complex, Near Classic Gold Hotel, Girish Cold Drinks, Off C.G. Road, Navrangpura, Ahmedabad 380009, Gujarat

Tel No.: (079) 40392571

E-mail: bssahd@bigshareonline.com

CORPORATE & REGISTERED OFFICE

Plot no. 5, C.S. Nondh No. 451/A, R.S. No. 33/1 paiki, Nr. Narendra Dyeing Mill, B/h. Old Sub-Jail, Khatodara, Ring Road, Surat, Gujarat, 395002

Tel. No. (0261) 3603200

E-mail: info@shahlon.com

Website: www.shahlon.com

ISIN for NSDL & CDSL

INE052001026

NOTICE

Notice is hereby given that the 17th Annual General Meeting of members of **Shahlon Silk Industries Limited** will be held on **Tuesday, September 30, 2025, at 11:00 A.M. (IST)** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), the venue of the Meeting shall be deemed to be the Registered Office of the Company situated at Plot no. 5, C.S. Nondh No. 451/A, R.S. No. 33/1 paiki, Nr. Narendra Dyeing Mill, B/h. Old Sub-Jail, Khatodara, Ring Road, Surat, Gujarat, 395002, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare final dividend of Rs.0.07/- (3.50%) per Equity Share of face value of Rs.2/- each to the shareholders for the Financial Year ended March 31, 2025.
3. To appoint a Director in place of Mr. Dhirajlal R. Shah (DIN: 00010480), Director who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Re-appointment Mr. Dhirajlal Raychand Shah (DIN: 00010480) as an Executive Director (designated as an "Executive Chairperson") of the Company for a period of three years:**

To consider and if thought fit, to pass, the following as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Schedule V to the Act and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"), relevant provisions of the Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for reappointment of **Mr. Dhirajlal Raychand Shah (DIN: 00010480)** as an Executive Director (designated as an "Executive Chairperson") of the Company, liable to

retire by rotation, for a period of 3 (Three) years commencing from October 1, 2025 till September 30, 2028, on such terms and conditions, including remuneration, as set out in the explanatory statement annexed to this notice, as mentioned in the draft agreement placed before the Nomination and Remuneration Committee and Board of Directors of the Company and approved by them at their respective meetings held on August 30, 2025;

RESOLVED FURTHER THAT pursuant to Section 196 and any other applicable provisions of the Companies Act, 2013, based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded to the continuation of directorship of Mr. Dhirajlal Raychand Shah, even though he has attained the age of 70 years;

RESOLVED FURTHER THAT the remuneration payable to Mr. Dhirajlal Raychand Shah, on the terms and conditions as set out in the explanatory statement attached hereto, in any financial year may exceed the limits specified in Section 197 and Schedule V of the Act and SEBI Listing Regulations; and in the event of inadequacy or absence of profits under Section 197 and all other applicable provisions of the Act in any financial year or years during the duration of his term of office, the remuneration, as approved herein be paid as minimum remuneration to Mr. Dhirajlal Raychand Shah, in case of absence or inadequacy of profit, aforesaid remuneration shall be treated as minimum remuneration in terms of Section II of Part II of Schedule V to the Companies Act, 2013, and the approval accorded herein shall also be deemed to be the approval by way of special resolution as contemplated under Section 197(10) read with Schedule V of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary and/or revise the terms and Conditions of the remuneration as it may deem fit, pursuant to Section II of Part II of Schedule V to the Companies Act, 2013 (including any Statutory modification or re-enactment thereof, for the time being in force), which is payable to Mr. Dhirajlal Raychand Shah, without being required to seek any further consent or approval of the shareholders of the Company and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, applicable provisions of the Companies Act, 2013 read with rules made thereunder and other laws applicable, if any [including any statutory modification(s) or reenactment(s) thereof for the time being in force] as also pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, approval be and is hereby accorded, to the continuation of payment of remuneration to Mr. Dhirajlal Raychand Shah (belonging to promoter group) as an Executive Chairman on the aforesaid terms and conditions for his proposed tenure beginning on October 1, 2025, and ending on September 30, 2028, notwithstanding

- (a) the annual remuneration payable to him exceeds Rs. 5 Crores or 2.5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher,

OR

- (b) the aggregate annual remuneration of all the Executive Directors exceeds 5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013.

AND FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

5. Re-appointment of Mr. Arvind R. Shah (DIN: 00010483) as the Managing Director of the Company for a period of three years:

To consider and if thought fit, to pass, the following as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Schedule V to the Act and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"), relevant provisions of the Articles of Association of the Company, based on

the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for reappointment of **Mr. Arvind Raichand Shah (DIN: 00010483)** as Managing Director of the Company, liable to retire by rotation, for a period of 3 (Three) years commencing from October 1, 2025 till September 30, 2028, on such terms and conditions, including remuneration, as set out in the explanatory statement annexed to this notice, as mentioned in the draft agreement placed before the Nomination and Remuneration Committee and Board of Directors of the Company and approved by them at their respective meetings held on August 30, 2025;

RESOLVED FURTHER THAT pursuant to Section 196 and any other applicable provisions of the Companies Act, 2013, based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded to the continuation of directorship of Mr. Arvind Raichand Shah, even after he attains the age of 70 years;

RESOLVED FURTHER THAT the remuneration payable to Mr. Arvind Raichand Shah, on the terms and conditions as set out in the explanatory statement attached hereto, in any financial year may exceed the limits specified in Section 197 and Schedule V of the Act and SEBI Listing Regulations; and in the event of inadequacy or absence of profits under Section 197 and all other applicable provisions of the Act in any financial year or years during the duration of his term of office, the remuneration, as approved herein be paid as minimum remuneration to Mr. Arvind Raichand Shah, in case of absence or inadequacy of profit, aforesaid remuneration shall be treated as minimum remuneration in terms of Section II of Part II of Schedule V to the Companies Act, 2013, and the approval accorded herein shall also be deemed to be the approval by way of special resolution as contemplated under Section 197(10) read with Schedule V of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary and/or revise the terms and Conditions of the remuneration as it may deem fit, pursuant to Section II of Part II of Schedule V to the Companies Act, 2013 (including any Statutory modification or re-enactment thereof, for the time being in force), which is payable to

Mr. Arvind Raichand Shah, without being required to seek any further consent or approval of the shareholders of the Company and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, applicable provisions of the Companies Act, 2013 read with rules made thereunder and other laws applicable, if any [including any statutory modification(s) or reenactment(s) thereof for the time being in force] as also pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, approval be and is hereby accorded, to the continuation of payment of remuneration to Mr. Arvind Raichand Shah (belonging to promoter group) as Managing Director on the aforesaid terms and conditions for his proposed tenure beginning on October 1, 2025, and ending on September 30, 2028, notwithstanding

(a) the annual remuneration payable to him exceeds Rs. 5 Crores or 2.5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher,

OR

(b) the aggregate annual remuneration of all the Executive Directors exceeds 5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013.

AND FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

6. Re-appointment of Mr. Nitin Shah (DIN: 00010487) as Whole-Time Director of the Company a period of three years:

To consider and if thought fit, to pass, the following as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Schedule V to the Act and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time

being in force), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"), relevant provisions of the Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for reappointment of **Mr. Nitin Shah (DIN: 00010487)**, as Whole-Time Director of the Company, liable to retire by rotation, for a period of 3 (Three) years commencing from October 1, 2025 till September 30, 2028, on such terms and conditions, including remuneration, as set out in the explanatory statement annexed to this notice, as mentioned in the draft agreement placed before the Nomination and Remuneration Committee and Board of Directors of the Company and approved by them at their respective meetings held on August 30, 2025;

RESOLVED FURTHER THAT the remuneration payable to Mr. Nitin Shah, on the terms and conditions as set out in the explanatory statement attached hereto, in any financial year may exceed the limits specified in Section 197 and Schedule V of the Act and SEBI Listing Regulations; and in the event of inadequacy or absence of profits under Section 197 and all other applicable provisions of the Act in any financial year or years during the duration of his term of office, the remuneration, as approved herein be paid as minimum remuneration to Mr. Nitin Shah, in case of absence or inadequacy of profit, aforesaid remuneration shall be treated as minimum remuneration in terms of Section II of Part II of Schedule V to the Companies Act, 2013, and the approval accorded herein shall also be deemed to be the approval by way of special resolution as contemplated under Section 197(10) read with Schedule V of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary and/or revise the terms and Conditions of the remuneration as it may deem fit, pursuant to Section II of Part II of Schedule V to the Companies Act, 2013 (including any Statutory modification or re-enactment thereof, for the time being in force), which is payable to Mr. Nitin Shah, without being required to seek any further consent or approval of the shareholders of the Company and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, applicable provisions of the Companies Act, 2013 read with rules made thereunder and other laws applicable, if any [including any statutory modification(s) or reenactment(s) thereof for the time being in force] as also pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, approval be and is hereby accorded, to the continuation of payment of remuneration to Mr. Nitin Shah (belonging to promoter group) as Managing Director on the aforesaid terms and conditions for his proposed tenure beginning on October 1, 2025, and ending on September 30, 2028, notwithstanding

- (a) the annual remuneration payable to him exceeds Rs. 5 Crores or 2.5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher,

OR

- (b) the aggregate annual remuneration of all the Executive Directors exceeds 5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013.

AND FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

7. Appointment of Ms. Ketaki Naginbhai Patel (DIN: 11249634) as an Independent Director of the Company for a period of five Years:

To consider and if thought fit, to pass, the following as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the rules framed thereunder including the Companies (Appointment and Qualification of Directors) Rules, 2014, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") as amended and subject to such other laws, rules and regulations as may be applicable in this

regard, and Articles of Association of the Company and on the basis of approval and recommendation of the Nomination and Remuneration Committee and the Board of Directors, **Ms. Ketaki Naginbhai Patel (DIN: 11249634)** who was appointed as an Additional Director (Non-Executive Independent) by the Board of Directors of the Company, with effect from August 23, 2025, pursuant to the provisions of section 161 of the Act, and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1) (b) of the SEBI Listing Regulations and is eligible for appointment under the provisions of the Act, the Rules made thereunder and the SEBI Listing Regulations, approval of the shareholders of the Company be and is hereby accorded to appoint Ms. Ketaki Naginbhai Patel as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of five (5) consecutive years from August 23, 2025, to August 22, 2030.

RESOLVED FURTHER THAT the Board be and is hereby authorised to file requisite forms with the regulatory authorities and do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any authorized person(s) to give effect to this resolution."

8. Approval for appointment of M/s JDM And Associates LLP, Practicing Company Secretaries, as Secretarial Auditors of the Company for a period of 5 (Five) years:

To consider and if thought fit, to pass, the following as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), and in accordance with the recommendation of Audit Committee and the Board of Directors of the Company, JDM and Associates LLP, Practicing Company Secretaries (Peer Review No: 6787/2025), be appointed as the Secretarial Auditor of the Company for a term of five (5) consecutive years, to hold office from the

conclusion of this 17th Annual General Meeting ('AGM') till the conclusion of 22nd Annual General Meeting of the Company to be held in the Year 2030, to conduct the Secretarial Audit of five consecutive financial years from 2025-26 to 2029-30, on such remuneration and reimbursement of out of pocket expenses for the purpose of audit as may be approved by the Audit Committee/Board of Directors of the Company.

FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds, things and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

9. To ratify the remuneration payable to Cost Auditors for the financial year ending 2025-26:

To consider and if thought fit, to pass, the following as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Cost records and Audit Rules) 2014 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof for the time being in force), the remuneration payable to M/s. PNR

& Co. LLP Cost Accountants, having Firm Registration No.006470 appointed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2026, be paid remuneration of Rs.30,000/- (Rupees Thirty Thousand) plus applicable taxes and reimbursement of out of pocket expenses at actual, if any, incurred in connection with the audit, as approved by the Board of Directors, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution including variation in the terms and conditions."

By Order of Board of Directors of
Shahlon Silk Industries Limited

Hitesh K. Garmora

Company Secretary

Membership No. – A16160

Place : Surat

Date : 30/08/2025

NOTES

1. The Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20/2020 dated 5th May, 2020 read with Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 02/2021 dated 13th January, 2021, Circular No. 19/2021 dated 8th December, 2021, Circular No. 02/2022 dated 05th May, 2022, General Circular No. 10/2022 dated 28th December, 2022, General Circular No. 9/2023 dated September 25, 2023 and the latest being 09/2024 dated September 19, 2024 (hereinafter collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022, SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 5, 2023, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 (hereinafter collectively referred to as "SEBI Circulars"), has permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 17th Annual General Meeting of the Members of the Company is being held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the Annual General Meeting of the Company shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is explained at **Note No. 26** below.
2. Since the AGM will be held through VC/OAVM, the Route Map, Proxy Form and Attendance Slip are not annexed in this Notice.
3. An explanatory statement pursuant to Section 102(1) of the Act is annexed herewith and the same should be taken as part of this Notice.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company on their email Id companysecretary@cs.shahlon.com, a certified copy of the Board Resolution/authorization letter authorising their representative to attend and vote on their behalf at the Meeting and through E-voting.
7. Relevant documents as required by law and referred to in the accompanying Notice shall be available for inspection electronically by the shareholders during the AGM. The documents referred to in the Notice will also be available for inspection without any fee by the shareholders from the date of circulation of this Notice up to the date of AGM. Shareholders seeking to inspect such documents can send an email to info@shahlon.com.
8. In compliance with the MCA Circulars and the SEBI Circulars, Notice of the AGM along with the Annual Report for Financial Year 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company, Bigshare Services Private Limited (RTA), National Securities Depository Limited and Central Depository Services (India) Limited and a letter will be sent by the Company providing the web-link, including the exact path where complete details of the Annual Report including the Notice of the AGM is available, to those shareholder(s) who have not registered their e-mail address with the Company/ Depositories/ Depository Participants. The Notice of the AGM along with the Annual Report for Financial Year ended 2024-25 has been uploaded on the website of the Company at www.shahlon.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
9. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts relating to Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.

10. In terms of the provisions of Section 152 of the Act, Mr. Dhirajlal R. Shah (DIN: 00010480), Director, retires by rotation at the AGM and being eligible for appointment, the Board of Directors of the Company have recommend for his re-appointment to the shareholders for their approval. Mr. Dhirajlal R. Shah (DIN: 00010480) is interested in the Item No. 3 of the Notice with regard to his re-appointment. Shri Arvind R. Shah, Managing Director and Shri Nitin R. Shah, Whole-Time Director, being related to Mr. Dhirajlal R. Shah (DIN: 00010480), may be deemed to be interested in the Item No. 3 of the Notice. The other relatives of Mr. Dhirajlal R. Shah, Mr. Arvind R. Shah and Mr. Nitin R. Shah, may also be deemed to be interested in the Item No. 3 of the Notice, to the extent of their shareholding, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1, 2 and 3 of the Notice.
11. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the Directors retiring by rotation/ seeking re-appointment as Director at the AGM, are also annexed.
12. Pursuant to the provisions of section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the register of members and share transfer books of the Company shall remain closed from **Saturday, September 20, 2025 to Tuesday, September 30, 2025 (both days inclusive)** for the purpose of payment of Dividend for financial year ended 31st March, 2025 and the 17th AGM of the Company. The Record date for determining the name of the members eligible for Dividend on Equity share, if declared at this meeting, is **Friday, September 19, 2025**.
13. Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched on or after **30th September, 2025** as under:
 - a. to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on Friday, September 19, 2025; and
 - b. to all those shareholders holding shares in physical form whose names stand on the Register of Members as on Friday, September 19, 2025.
14. Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by uploading the same with the Company's RTA at <https://www.bigshareonline.com/dividendTDS.aspx> or email to the RTA's Registered Email address at investor.ahm@bigshareonline.com by 11:59 p.m. IST on **Friday, September 19, 2025**. Shareholders are requested to note that in case their PAN is not registered or PAN is invalid, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading the same with the Company's RTA at <https://www.bigshareonline.com/dividendTDS.aspx> or sending an email to the RTA's Registered Email address at investor.ahm@bigshareonline.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on **Friday, September 19, 2025** in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate.

No communication on the tax determination/ deduction shall be entertained post **Friday, September 19, 2025**. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from the shareholder, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible.

15. In view of the circular issued by SEBI, the Electronic Clearing Services ("ECS/NECS") facility should mandatorily be used by the companies for the distribution of dividend to its Members. In order **to avail the facility of ECS/NECS, Members holding shares in physical form are requested to provide bank account details to the Company or its RTA.**

Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

16. In terms of the Listing Regulations, transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, has also mandated that listed companies shall, while processing investor service requests pertaining to issue of duplicate share certificate, claim from Unclaimed Suspense Account, renewal / exchange of share certificate, endorsement, sub-division / splitting / consolidation of share certificates, transmission, transposition etc. issue securities only in demat mode. In view of this as also to eliminate all risks associated with physical shares and to get inherent benefits of dematerialization, shareholders holding shares in physical form are advised to avail of the facility of dematerialization.

17. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, mandates,

nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code etc. to their Depository Participants in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, Bigshare Services Private Limited in case the shares are held by them in physical form.

18. Shareholders holding shares in dematerialised mode are requested to register / update their PAN, Nomination Details, Contact details (Address with PIN, Mobile number and Email address), Bank account details (bank name, branch name, account number and IFS code) and Specimen signature with the relevant Depository Participant
19. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2016-17, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on March 31, 2024 on the website of the Company. The said details have also been uploaded on the website of the IEPF Authority i.e. www.iepf.gov.in.

Please note that Members who have yet not en-cashed their dividend warrant(s) pertaining to dividend declared for the financial year 2017-18 and onwards are requested to lodge their unpaid dividend claims along with claimant's Proof of Identity, Cancelled Cheque and address immediately with the Company before transfer of said dividend amount to the IEPF.

Due dates for transfer of unclaimed/unpaid dividends to IEPF for the financial year 2017-18 and thereafter:

Financial Year	Date of Declaration of Dividend	Dividend Payment	Due Date for transfer to IEPF
2017-2018	29/09/2018	12.5%	05/11/2025
2018-2019	30/09/2019	5.00%	06/11/2026
2019-2020	26/12/2020	2.50%	01/02/2028
2020-2021	30/09/2021	2.50%	06/11/2028
2021-2022	30/09/2022	3%	06/11/2029
2022-2023	29/09/2023	3%	05/11/2030
2023-2024	30/09/2024	3%	06/11/2031

20. a) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2024-25, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer. Details of shares transferred to the IEPF Authority are available on the website of the Company. The said details have also been uploaded on the website of the IEPF Authority i.e. www.iepf.gov.in.
- b) **The Company has now communicated individually the concerned shareholders whose shares are liable to be transferred to IEPF Authority during the financial year 2025-26 at their latest available address with the Company and simultaneously published a notice in the English newspaper the Financial Express and in Gujarati newspaper Gujarat Guardian dated 06/08/2025, for taking appropriate action. The Statement of details of such Shareholders and Shares due for transfer to IEPF Authority during the financial year 2025-26 and the Statement of Unclaimed Dividend amount for 7 consecutive years is placed on the website of the Company.**
- c) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from IEPF Authority. Concerned members/investors are advised to visit the web link: <https://www.iepf.gov.in/IEPF/refund.html> or Bigshare Services Private Limited, the Registrar and Share Transfer Agent of the Company for lodging claim for refund of shares and / or dividend from the IEPF Authority. Please quote on all such correspondence - "Unit - Shahlon Silk Industries Ltd." **For Shareholders queries - Telephone No. +91-79-40392571, Email : bssahd@bigshareonline.com**
21. Members seeking any information concerning the accounts and operations are requested to send their queries to the company at least 10 days before the date of the meeting, so that information required can be made available at the meeting.
22. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its RTA or the concerned Depository Participant, as the case may be:
- a) change in the residential status on return to India for permanent settlement.
- b) particulars of the NRE account with a Bank in India, if not furnished earlier.
23. The Board of Directors has appointed Mr. Dhaval P. Master (Membership No.- 34204 and COP No. 13653), partner of JDM and Associates LLP, Practising Company Secretaries as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
24. The Scrutinizer, after the conclusion of e-voting at the AGM, will scrutinize the votes cast at the AGM and votes cast through remote e-voting and make a consolidated Scrutinizer's Report and submit the same to the Chairman. The result of e-voting will be declared within two working days of the conclusion of the AGM and the same, along with the consolidated Scrutinizer's Report, will be placed on the website of the Company at www.shahlon.com and on the website of CDSL at www.evotingindia.com. The result along with the consolidated Scrutinizer's Report will simultaneously be communicated to the Stock Exchange.
25. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e. **Tuesday, September 30, 2025.**
- 26. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING JOINING ANNUAL GENERAL MEETING THROUGH VC/OAVM ARE AS UNDER:**
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), MCA Circulars and SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come

first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

Step-1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step-2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- i. The voting period begins on **Saturday, September 27, 2025 (9.00 a.m.)** and ends on **Monday, September 29, 2025 (5.00 p.m.)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **Tuesday, September 23, 2025** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that

the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- iv. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL is 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 users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on Login icon & My Easi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re- directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/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 NSDL/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 virtual meeting & voting during the meeting.

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

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

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.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2 Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

v. Login method for e-Voting and attending AGM through VC for **Physical shareholders and shareholders other than individual shareholders holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,

- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. 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 Physical Shareholders and other than individual Shareholders holding shares in Demat
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/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
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.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for the **SHAHLON SILK INDUSTRIES LIMITED** on which you choose to vote.
- x. 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.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. 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.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- xvii. Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only.**
 - 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.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - 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.

- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a 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.
- Alternatively Non Individual shareholders are required mandatory 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 and to the Company at the email address viz; companysecretary@cs.shahlon.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM 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.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at companysecretary@cs.shahlon.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at companysecretary@cs.shahlon.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes 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.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to bssahd@bigshareonline.com.
2. For Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on toll free no. 1800 21 09911.

By Order of Board of Directors of
Shahlon Silk Industries Limited

Place : Surat
Date : 30.08.2025

Hitesh K. Garmora
Company Secretary

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 3 & 4 OF THE NOTICE

Mr. Dhirajlal Raychand Shah was re-appointed as an Executive Chairman of the company by the shareholders at their Annual General Meeting held on September 30, 2022, liable to retire by rotation, for a period of 3 years. The said term is expiring on September 30, 2025.

Taking into consideration the industry scenario, performance and growth of the company under his management, his experience and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company, at its meeting held on August 30, 2025 has, subject to approval of shareholders, re-appointed Mr. Dhirajlal Raychand Shah (DIN:00010480), liable to retire by rotation, as an Executive Chairman of the Company for a period of three years from the expiry of his present term i.e. with effect from October 1, 2025, in terms of Section 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013, and in terms of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') on the terms set out including remuneration as mentioned in draft agreement approved by the Nomination and Remuneration Committee and the Board. The Directors are of the views that re-appointment of Mr. Dhirajlal Raychand Shah as Executive Chairman will be beneficial for the smooth operations of the company.

Further section 196(3) of the Act, inter alia, provides that no Company shall appoint or continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution. Mr. Dhirajlal Raychand Shah has already attained the age of 70 Years; therefore his re-appointment requires the approval of members by way of a special resolution.

Regulation 17 (6) (e) to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("LODR") requires approval of shareholders by way of Special Resolution in following circumstances:

The Payment of any fees or compensation to executive directors who are promoters or members of the promoter group shall be subject to the approval of the shareholders by Special Resolution, if:

a) the annual remuneration payable to him exceeds Rs. 5 Crores or 2.5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher,

OR

b) the aggregate annual remuneration of all the Executive Directors exceeds 5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013.

Your Company has three executive directors belonging to promoter group viz. Shri Dhirajlal R. Shah, Shri Arvind R. Shah and Shri Nitin R. Shah who are proposed to be reappointed on the terms and condition including remuneration of Rs.4,50,000/- to each.

The draft agreement between the company and Mr. Dhirajlal Raychand Shah is available for inspection by the members of the company at registered office of the company between 11.00 A.M. to 1.00 P.M. on any working day of the company.

None of the Directors or Key Managerial Personnel of the Company except Mr. Dhirajlal Raychand Shah himself, Mr. Nitin R. Shah and Mr. Arvind R. Shah, Directors of the Company and their relatives are deemed to be concerned and interested financially or otherwise in the said resolution.

The Board accordingly recommends the resolution set out at Item No.4 of this Notice for the approval of the Members as a **special resolution**.

As regards re-appointment of Mr. Dhirajlal Raychand Shah, following necessary disclosures are made for the information of the shareholders:

A brief profile of the Mr. Dhirajlal Raychand Shah AND nature of expertise in specific functional areas;

Mr. Dhirajlal Raychand Shah holds Bachelor's Degree in Commerce and has been in Textile Business since 1984. He has been recently awarded "Exemplary Contribution" award for the year 2023-24 for his valuable contribution to the Indian Textile Industry by Manmade and Technical Textiles Export Promotion Council (MATEXIL earlier known as SRTEPC). He had received "Outstanding Businessman" award from The South Gujarat Chamber of Commerce and Industry for the year 2014. He had from time to time involvement with various business associations & government departments:

- Past Chairman of Synthetic Rayon & Textiles Export Promotion Council
- Past Chairman of Technology Up gradation and modernization committee of South Gujarat Chamber of Commerce and Industry.
- Member Regional Advisory committee of excise.
- Past president of South Gujarat Texturizers Welfare Association, Surat
- Past member of textile working group of Gujarat State government.
- Chairman of Fairdeal Textile Park, a modern Weaving Park at Village: Mahuvej, Taluka: Mangrol, Dist.: Surat.

Further Disclosures in terms of Schedule V to the Companies Act, 2013 is given hereinafter under **Additional Disclosures** and In terms of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India is **annexed to this notice as Annexure.**

ITEM NO. 5 OF THE NOTICE

Mr. Arvind Raichand Shah was appointed as a Managing Director of the company by the shareholders at their Annual General Meeting held on September 30, 2022, liable to retire by rotation, for a period of 3 years. The said term is expiring on September 30, 2025.

Considering the rich experience, competency and leadership skills and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company, at its meeting held on August 30, 2025 has, subject to approval of shareholders, re-appointed Mr. Arvind Raichand Shah (DIN: 00010483), liable to retire by rotation, as a Managing Director of the Company for a period of three years from the expiry of his present term i.e. with effect from October 1, 2025, in terms of Section 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013, and in terms of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') on the terms set out including remuneration as mentioned in draft agreement approved by the Nomination and Remuneration Committee and the Board. The Directors are of the views that re-appointment of Mr. Arvind Raichand Shah as a Managing Director will be

beneficial for the smooth operations of the company.

Pursuant to Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and rules made thereunder, approval of members is required by way of Special Resolution for re-appointment of Shri Arvind R. Shah, as a Managing Director of the Company.

Further section 196(3) of the Act, inter alia, provides that no Company shall appoint or continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole-Time director or Manager unless it is approved by the members by passing a special resolution. Mr. Arvind Raichand Shah shall attain the age of 70 during the proposed term of his reappointment; therefore, his reappointment requires the approval of members by way of a special resolution.

Regulation 17 (6) (e) to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("LODR") requires approval of shareholders by way of Special Resolution in following circumstances:

The Payment of any fees or compensation to executive directors who are promoters or members of the promoter group shall be subject to the approval of the shareholders by Special Resolution, if:

- a) the annual remuneration payable to him exceeds Rs. 5 Crores or 2.5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher,
- OR
- b) the aggregate annual remuneration of all the Executive Directors exceeds 5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013.

Your Company has three executive directors belonging to promoter group viz. Shri Dhirajlal R. Shah, Shri Arvind R. Shah and Shri Nitin R. Shah who are proposed to be re-appointed on the terms and condition including remuneration of Rs.4,50,000/- to each.

The draft agreement between the company and Mr. Arvind Raichand Shah is available for inspection by the members of the company at registered office of the company between 11.00 A.M. to 1.00 P.M. on any working day of the company.

None of the Directors or Key Managerial Personnel of the Company except Mr. Arvind Raichand Shah himself, Mr. Dhirajlal Raychand Shah and Mr. Nitin R. Shah, Directors of

the Company and their relatives are deemed to be concerned and interested financially or otherwise in the said resolution.

The Board accordingly recommends the resolution set out at Item No.5 of this Notice for the approval of the Members as a **special resolution**.

As regards re-appointment of Mr. Arvind Raichand Shah, following necessary disclosures are made for the information of the shareholders:

A brief profile of the Mr. Arvind Raichand Shah AND nature of expertise in specific functional areas;

Mr. Arvind Raichand Shah is a science graduate with around 41 years of expertise in the textile industry. As the pioneer and founder of Shahlon Silk Industries Limited, he has successfully transformed his vision into a thriving business. Originating from Jamnagar, Mr. Shah embarked on a journey to revolutionize the textile sector by focusing on innovation, quality, and sustainability. With extensive industry knowledge and a commitment to excellence, he has played a pivotal role in the company's growth and success.

Further Disclosures in terms of Schedule V to the Companies Act, 2013 is given hereinafter under **Additional Disclosures** and In terms of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India is **annexed to this notice as Annexure**.

ITEM NO. 6 OF THE NOTICE

Mr. Nitin Raichand Shah was appointed as a Whole-time Director of the company by the shareholders at their Annual General Meeting held on September 30, 2022, liable to retire by rotation, for a period of 3 years. The said term is expiring on September 30, 2025.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company, at its meeting held on August 30, 2025 has, subject to approval of shareholders, re-appointed Mr. Nitin Shah (DIN: 00010487), as a Whole-time Director of the Company, liable to retire by rotation, for a period of three years from the expiry of his present term i.e. with effect from October 1, 2025, in terms of Section 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013, and in terms of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 ('SEBI Listing Regulations') on the terms set out including remuneration as mentioned in draft agreement approved by the Nomination and Remuneration Committee and the Board. The Directors are of the views that re-appointment of Mr. Nitin Shah as Whole-time Director will be beneficial for the smooth operations of the company.

Regulation 17 (6) (e) to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("LODR") requires approval of shareholders by way of Special Resolution in following circumstances:

The Payment of any fees or compensation to executive directors who are promoters or members of the promoter group shall be subject to the approval of the shareholders by Special Resolution, if:

- a) the annual remuneration payable to him exceeds Rs. 5 Crores or 2.5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher,

OR

- b) the aggregate annual remuneration of all the Executive Directors exceeds 5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013.

Your Company has three executive directors belonging to promoter group viz. Shri Dhirajlal R. Shah, Shri Arvind R. Shah and Shri Nitin R. Shah who are proposed to be reappointed on the terms and condition including remuneration of Rs.4,50,000/- to each.

The draft agreement between the company and Mr. Nitin Shah is available for inspection by the members of the company at registered office of the company between 11.00 A.M. to 1.00 P.M. on any working day of the company.

None of the Directors or Key Managerial Personnel of the Company except Mr. Nitin Shah himself, Mr. Dhirajlal Raychand Shah and Shri Arvind R. Shah, Directors of the Company and their relatives are deemed to be concerned and interested financially or otherwise in the said resolution.

The Board accordingly recommends the resolution set out at Item No.6 of this Notice for the approval of the Members as a special resolution.

As regards re-appointment of Mr. Nitin Shah, following necessary disclosures are made for the information of the shareholders:

A brief resume of the director AND nature of expertise in specific functional areas;

Mr. Nitin Raichand Shah is a seasoned commerce graduate with extensive expertise in the textile industry. With a career spanning over four decades, he has been actively involved in the business of textiles and industrial textile parks since 1984. Through strategic leadership, in-depth industry knowledge, unwavering dedication, and deep industry expertise, he has significantly contributed to the remarkable growth, operational excellence and success of numerous companies.

Further Disclosures in terms of Schedule V to the Companies Act, 2013 is given hereinafter under **Additional Disclosures** and In terms of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India is **annexed to this notice as Annexure.**

ADDITIONAL DISCLOSURES FOR ITEM NO. 3, 4, 5 & 6 OF THE NOTICE

Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013:

I. General Information:

1.	Nature of Industry:	The Company is engaged in manufacturing and trading of synthetic textile yarn and fabrics, both for domestic and international markets.			
2.	Date or expected date of Commencement of commercial production	The company is already engaged in the business since its incorporation i.e. April, 2008			
3.	In case of new companies, expected date of commencement of activities	Not Applicable			
4.	Financial performance based on given indicators	Particulars	(₹ in Lakhs)		
			Financial Years		
			2024-25	2023-24	2022-23
		Paid up Capital	1786.05	1786.05	1786.05
		Other Equity	8782.84	8489.02	8101.49
		Income from operations	25126.53	31087.76	30862.166
		EBIDTA	2950.25	2871.55	2841.03
		Profit before Tax	592.38	611.49	515.37
		Profit after Tax	349.86	398.16	377.77
		Effective Capital	17727.35	15056.81	13500.63
5.	Foreign investments or collaborations, if any	Particulars	Financial Years		
			2024-25	2023-24	2022-23
			(No. of shares of Rs.2/- each)		
		Foreign Portfolio Investors Category I	752259	4988023	-
		Non Resident Indians	4333380	4669509	5721645
		Foreign Collaboration	The Company has not entered into any material foreign collaboration.		

II. Information about the appointee:

A. Mr. Dhirajlal Raychand Shah

(1) Background details

Mr. Dhirajlal R. Shah is a commerce graduate aged about 71 years is having rich experience of around 41 years in textile business. He was Promoter-Director in the company since its inception. He is associated with various business associations and has successfully represented various issues of the textile industry before government and other authorities from time to time.

(2) Past remuneration

Rs. 4,50,000/- p.m. for the 3 years tenure started from October 01, 2022 to till September 30, 2025.

(3) Recognition or awards

- He has been awarded ***"Exemplary Contribution"*** award for the year 2023-24 for his valuable contribution to the Indian Textile Industry by Manmade and Technical Textiles Export Promotion Council (MATEXIL earlier known as SRTEPC).
- He also has been awarded ***"Outstanding Businessman"*** award from The South Gujarat Chamber of Commerce and Industry, Surat for the year 2014.

(4) Job Profile and his suitability

The Executive Chairman shall be entrusted with the comprehensive management of the affairs of the Company, empowered to undertake all actions and decisions that, in the ordinary course of business, are deemed necessary or appropriate in the best interests of the company. Considering the Mr. Dhirajlal R. Shah's age, qualifications, capabilities, and extensive experience in the Textile Sector, and in alignment with the company's strategic requirements, the proposed appointment as Executive Chairman is anticipated to significantly benefit the organization.

(5) Remuneration Proposed

The Board of Directors of the company on the basis of recommendation of the Nomination

and Remuneration Committee has proposed remuneration of Rs. 4,50,000 per month w.e.f. October 01, 2025 for a period of three years i.e. till September 30, 2028, subject to the approval of the Members.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

Compared to the remuneration with respect to industry, size of the company and profile of the position and person, the Directors are of the view that the remuneration proposed is commensurate with his experience and ability.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel or other director, if any.

Apart from the remuneration paid to him as Executive Chairperson as stated above and his respective shareholding held directly or indirectly in the Company. Company paid interest on unsecured loan as disclosed in Note no. 28 to the Financial Statements. Except this, the company has no other transactions or pecuniary relationship with Shri Dhirajlal R. Shah. He is a brother of Mr. Nitin Raichand Shah and Mr. Arvind Raichand Shah, Directors of the Company.

B. Mr. Arvind Raichand Shah

(1) Background details

Shri Arvind R. Shah is a science graduate aged about 67 years having rich experience of about 41 years in textile business. He is one of the Promoters of the company. He is involved in product development, exploration of new business opportunities, and head of marketing function in the organization. He manages team of experienced marketing managers who are generally textile engineers & MBA in marketing.

(2) Past remuneration

Rs. 4,50,000/- p.m. for the 3 years tenure started from October 01, 2022 to till September 30, 2025.

(3) Job Profile and his suitability

The Managing Director shall be responsible for the management of the whole of the affairs of the company and to do all acts and things, which in the ordinary course of business; he considers necessary or proper in the interest of the company.

Mr. Arvind Raichand Shah is a dedicated and committed personality with rich experience of more than four decades in textile sector. During his tenure as the Managing Director, he made significant contributions to the company.

Keeping in view that Mr. Arvind Raichand Shah has rich and varied experience in the industry and has been involved in the operations of the Company over a long period of time it would be in the interest of the Company, the Resolution is commended for your approval.

(4) Remuneration Proposed

The Board of Directors of the company on the basis of recommendation of the Nomination and Remuneration Committee has proposed remuneration of Rs. 4,50,000 per month w.e.f. October 01, 2025 for a period of three years i.e. till September 30, 2028, subject to the approval of the Members.

(5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

Compared to the remuneration with respect to industry, size of the company and profile of the position and person, the Directors are of the view that the remuneration proposed is commensurate with his experience and ability.

(6) Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel or other director, if any.

Apart from the remuneration paid to him as Managing Director as stated above and his respective shareholding held directly or indirectly in the Company, Company paid interest on unsecured loan as disclosed in Note no. 28 to the Financial Statements. Except this, the company has no other

transactions or pecuniary relationship with Mr. Arvind R. Shah. He is a brother of Mr. Dhirajlal Raychand Shah and Mr. Nitin Shah, Directors of the Company.

C. Mr. Nitin Raichand Shah

(1) Background details

Mr. Nitin R. Shah is a commerce graduate aged about 64 years is having rich experience of more than 40 years in textile business. He is one of the Promoters of the company. Presently, he looks after technical and product development function in the Company. He manages team of qualified technical persons.

(2) Past remuneration

Rs. 4,50,000/- p.m. for the 3 years tenure started from October 01, 2022 to till September 30, 2025.

(3) Job Profile and his suitability

The whole-time director shall be responsible for managing all affairs of the company and for performing any acts or tasks that he deems necessary or appropriate in the ordinary course of business in the benefit the company.

Mr. Nitin Shah has made a significant contribution to the growth of the company during his tenure as Director. Keeping in view of his rich and varied experience in the industry and his involvement in the operations of the Company over a long period of time, it would be in the interest of the Company, the resolution is commended for your approval.

(4) Remuneration Proposed

The Board of Directors of the company on the basis of recommendation of the Nomination and Remuneration Committee has proposed remuneration of Rs. 4,50,000 per month w.e.f. October 01, 2025 for a period of three years i.e. till September 30, 2028, subject to the approval of the Members.

(5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

Compared to the remuneration with respect to industry, size of the company and profile of

the position and person, the Directors are of the view that the remuneration proposed is commensurate with his experience and ability.

(6) Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel or other director, if any.

Apart from the remuneration paid to him as Whole-Time Director as stated above and his respective shareholding held directly or indirectly in the Company, Company paid interest on unsecured loan as disclosed in Note no. 28 to the Financial Statements. Except this, the company has no other transactions or pecuniary relationship with Mr. Nitin Shah. He is a brother of Mr. Dhirajlal Raychnd Shah and Mr. Arvind Raichnd Shah, Directors of the Company.

III. Other information

(1) Reasons for loss or inadequate profits

At present the financial performance of the company is good and possesses adequate profits. However, the company is in the competitive and lesser margin segment of textile industry. Profitability also remains susceptible to inherent commodity price fluctuation incidental risk associated in business.

(2) Steps taken or proposed to be taken for improvement

The company proposes to improve its productivity and profitability through higher capacity utilization, better utilization of available resources and diversifying the product basket with higher margins. The company proposes to add capacities in certain high value adding product categories and further proposes cost reduction initiatives in all in all its manufacturing processes wherever possible without compromising with quality of products / operating standards.

(3) Expected increase in productivity and profits in measurable terms

The Company is conscious about improvement in productivity and continually undertakes measures to improve its productivity and profitability. The Management is confident of achieving revenue growth in the future.

The Company has projected increase in its turnover from Rs.25193.83 Lakhs for the financial year 2024-25 to Rs. 26552.67 Lakhs for financial year 2025-26.

IV. Disclosures:

The disclosures as required on all elements of remuneration package such as salary, benefits, bonuses, pensions, details of fixed components and performance linked incentives along with performance criteria, service contract details, notice period, severance fees and stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable etc. have been made in the Boards' Report under the heading "Corporate Governance Report" forming part of the Annual Report for 2024-25.

The Company has not defaulted in payment of dues to any bank or public financial institution or any other secured creditor.

ITEM NO. 7 OF THE NOTICE

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company ("Board") in its meeting held on August 23, 2025 had appointed **Ms. Ketaki Naginbhai Patel (DIN: 11249634)** as an Additional Director in the category of Non-Executive Independent Director of the Company for a first term of 5 (five) consecutive years commencing from August 23, 2025, subject to approval of shareholders of the Company.

Further, in terms of the amended Regulation 17(1C) of the SEBI Listing Regulations, a listed entity shall ensure that the approval of shareholders for appointment of a person on the Board of Directors has to be taken either at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, approval of the shareholders is sought to comply with the SEBI Listing Regulations.

The Company has received a declaration from Ms. Ketaki Naginbhai Patel to the effect that she meets the criteria of independence as required under the provisions of Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. She has also

confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

The Company has also received a declaration confirming that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act and that no order of the Securities and Exchange Board of India or any other such authority has been passed against Ms. Ketaki Naginbhai Patel debarring her from accessing the capital markets and restraining from holding the position of Independent Director in any listed Company.

The Board of Directors of the Company is of the opinion that Ms. Ketaki Naginbhai Patel, fulfils the criteria of Independence as specified under Section 149 of the Act and Regulation 16(1)(b) of SEBI Listing Regulations as amended from time to time and is independent of the management.

Brief Profile of **Ms. Ketaki Naginbhai Patel (DIN: 11249634)** is as under:

Ms. Ketaki Naginbhai Patel (DIN: 11249634) holds a postgraduate diploma in business management from NMIMS, Mumbai, and a bachelor's degree in computer engineering from DDIT, Nadiad. She possesses over 20 years of diversified professional experience spanning the chemical, human resources, and information technology sectors. She has held leadership and managerial roles as Export Manager, Branch Manager, and Centre Coordinator, gaining expertise in international trade, business development, operations, governance, and strategic management.

Over the past decade, Ms. Patel has actively explored the textile dye industry, with a particular focus on disperse and reactive dye markets. She has frequently visited countries such as China, Turkey, Italy, Egypt, and Pakistan to assess opportunities and strengthen Indian export potential. She recently traveled to Lisbon to study the application of artificial intelligence in streamlining operations for driving sustainable growth and competitiveness in the Indian textile sector.

The Nomination and Remuneration Committee and the Board of Directors are of the view that **Ms. Ketaki Naginbhai Patel** possesses the requisite skills and capabilities. The Board is of the view that her appointment as an independent director would be in

the best interest of the Company and that her experience and insight will provide valuable guidance in strengthening the Company's strategic direction and governance framework.

Disclosures, as required under Regulation 36 of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are annexed to this Notice.

Other than **Ms. Ketaki Naginbhai Patel** and her relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of this Notice.

The Board recommends the resolution set out at Item No. 7 of the Notice for approval of the Members by way of Special Resolution.

ITEM NO. 8 OF THE NOTICE

Pursuant to the amended provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Companies Act, 2013 ('Act') and Rules made thereunder and Based on the recommendation of the Audit Committee, the Board of Directors has approved the appointment of M/s JDM and Associates LLP, Company Secretaries in Practice, (Peer Review Number: No.6787 /2025), as the Secretarial Auditors of the Company for a period of five consecutive financial years to hold office from the conclusion of this 17th Annual General Meeting ('AGM') till the conclusion of 22nd Annual General Meeting of the Company to be held in the Year 2030, to conduct the Secretarial Audit of five consecutive financial years from 2025-26 to 2029-30. The appointment is subject to shareholders' approval at the ensuing AGM. While recommending M/s JDM and Associates LLP for appointment, the Audit Committee and the Board based on past audit experience of the audit firm particularly in auditing large companies, valued various factors, including the firm's capability to handle a diverse and complex business environment, its existing experience in the various business segments, the clientele it serves, and its technical expertise.

Pursuant to Regulation 36(5) of SEBI Listing Regulations as amended, the credentials and terms of appointment of JDM and Associates LLP are as under:

JDM and Associates LLP is a peer-reviewed Practicing Company Secretaries firm registered with ICSI, offering integrated corporate services including Secretarial Audits, Due Diligence, Certifications, XBRL filings, Start-up advisory, and IPO-related services.

The firm specializes in regulatory approvals from MCA, ROC, NCLT, RBI, and compliance for NBFCs and foreign exchange regulations. With a pan India presence through strategic partners and advanced compliance tools, JDM is committed to delivering timely and efficient solutions, guided by its motto, "Where Client Matter"

Terms of appointment:

JDM and Associates LLP is proposed to be appointed for a term of five (5) consecutive years to hold office from the conclusion of this 17th Annual General Meeting ('AGM') till the conclusion of 22nd Annual General Meeting of the Company to be held in the Year 2030, to conduct the Secretarial Audit of five consecutive financial years from 2025-26 to 2029-30, At such fee plus applicable taxes and other out-of-pocket expenses in connection with the secretarial audit as determined by the Board of Directors from time to time.

The Board of Directors recommends the said resolution, as set out in Item No. 8 of this Notice for your approval.

None of the Directors or key managerial personnel or their relatives is in any way concerned or interested, financially or otherwise in the said resolution.

ITEM NO. 9 OF THE NOTICE

The Board of Directors, on the recommendation of the Audit Committee has approved the appointment and remuneration of an amount not exceeding Rs.30,000 (Rupees Thirty thousand only) plus applicable taxes and reimbursement of out of pocket expenses at actual, if any, incurred in connection with the audit to the Cost Auditors M/s PNR & Co. LLP Cost Accountants, having Firm Registration No.006470, to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2026.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors), Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors of the Company is required to be ratified by the members of the Company.

Brief Profile of M/s PNR & Co. LLP, Cost Accountants.

PNR & Co LLP is a firm of Cost Accountants dedicated to excellence in Cost Audit, GST Litigation & Compliance and Business Valuation. Founded by experienced professionals with a strong blend of industry and practice expertise, the firm supports businesses across sectors including Textiles, Chemicals, Pharmaceuticals, and Engineering.

Accordingly, consent of the members is sought by way of an Ordinary Resolution as set out at item No.9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the ending on March 31, 2026.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the resolution for approval by the members.

By Order of Board of Directors of
Shahlon Silk Industries Limited

Place : Surat
Date : 30.08.2025

Hitesh K. Garmora
Company Secretary

Annexure to the Notice

(In pursuance of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India)

A) Non-Independent and Executive Directors:

Particulars	Name of the Director		
	Mr. Dhirajlal Raychand Shah	Mr. Arvind Raichand Shah	Mr. Nitin Shah
1. DIN	00010480	00010483	00010487
2. Date of birth; and Age	February 18, 1954, 71 Years	July 28, 1958, 67 Years	January 13, 1961, 64 Years
3. Qualification	Commerce Graduate	Science Graduate	Commerce Graduate
4. Experience and expertise in specific functional areas	Provided in the Explanatory Statement forming part of Notice.	Provided in the Explanatory Statement forming part of Notice.	Provided in the Explanatory Statement forming part of Notice.
5. Brief Profile	Brief Profile is given in the Explanatory Statement forming part of Notice.	Brief Profile is given in the Explanatory Statement forming part of Notice.	Brief Profile is given in the Explanatory Statement forming part of Notice.
6. Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Brother of Mr. Nitin R. Shah and Mr. Arvind R. Shah, Directors of the Company	Brother of Mr. Dhirajlal R. Shah and Mr. Nitin R. Shah, Directors of the Company	Brother of Mr. Dhirajlal R. Shah and Mr. Arvind R. Shah, Directors of the Company
7. Nature of appointment (appointment / re-appointment)	Re-appointment as an Executive Chairman, liable to retirement by rotation.	Re-appointment as a Managing Director, liable to retirement by rotation.	Re-appointment as a Whole-Time Director, liable to retirement by rotation.
8. Terms and Conditions of appointment / re-appointment	Re-appointment as an Executive Chairman of the Company for a period of 3 years i.e. from October 01, 2025, to September 30, 2028	Re-appointment as a Managing Director of the Company for a period of 3 years i.e. from October 01, 2025, to September 30, 2028	Re-appointment as a Whole-Time Director of the Company for a period of 3 years i.e. from October 01, 2025, to September 30, 2028
9. Remuneration last drawn by such person, if applicable and remuneration sought to be paid	As mentioned in the explanatory statement above	As mentioned in the explanatory statement above	As mentioned in the explanatory statement above
10. Date of first appointment on the Board	September 3, 2018	September 3, 2018	September 3, 2018
11. Shareholding in the company including shareholding as a beneficial owner; as on June 30, 2025	56,14,900 (6.29%) Equity shares of Rs.2/-each	37,77,364 (4.23%) Equity shares of Rs.2/-each	85,86,280 (9.61%) Equity shares of Rs.2/- each

	Particulars	Name of the Director		
		Mr. Dhirajlal Raychand Shah	Mr. Arvind Raichand Shah	Mr. Nitin Shah
12.	The number of Meetings of the Board attended during the the financial year 2024-2025	5 out of 5	5 out of 5	4 out of 5
13.	Directorship held in other listed companies	NIL	NIL	NIL
14.	Membership of Committees of board held in other listed companies	NIL	NIL	NIL
15.	List of Listed Entity from which he has resigned as a Director in the past three years	NIL	NIL	NIL

B) Independent and Non-Executive Directors:

	Particulars	Name of the Director
		Ms. Ketaki Naginbhai Patel
1.	DIN	11249634
2.	Date of birth; and Age	February 5, 1982, 43 Years
3.	Qualification	Post Graduate Diploma in Business Management Bachelor in Computer Engineering
4.	Experience and expertise in specific functional areas	Provided in the Explanatory Statement forming part of Notice.
5.	Brief Profile	Brief Profile is given in the Explanatory Statement forming part of Notice.
6.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to Directors, Manager and other Key Managerial Personnel of the Company.
7.	Nature of appointment (appointment / re-appointment)	Appointment as an Independent Director of the Company, not liable to retirement by rotation.
8.	Terms and Conditions of appointment / re-appointment	Appointment as an Independent Director of the Company for a period of 5 years i.e. from August 23, 2025 to August 22, 2030
9.	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	N.A.
10.	Date of first appointment on the Board	August 23, 2025
11.	Shareholding in the company including shareholding as a beneficial owner; as on June 30,2025	N.A.

	Particulars	Name of the Director
		Ms. Ketaki Naginbhai Patel
12.	The number of Meetings of the Board attended during the the financial year 2024-2025	N.A.
13.	Directorship held in other listed companies	NIL
14.	Membership of Committees of board held in other listed companies	NIL
15.	List of Listed Entity from which he has resigned as a Director in the past three years	NIL
16.	the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Strategic Thinking, Planning, Problem Solving, Decision Making, Leadership, Analytical Approach, Managerial attributes Ms. Ketaki Naginbhai Patel (DIN: 11249634) has vast experience in Textile industry and fulfils the above-mentioned skills required for her role in the Company.
17.	justification for choosing the appointee for appointment as Independent Directors	She possesses strong attributes in the areas of Strategic Thinking, Planning, Problem Solving, Decision Making, Leadership, Analytical Approach and Managerial Skills, which are essential for guiding the Company's governance and growth. Ms. Patel brings with her vast experience in the Textile industry, having actively engaged in diverse areas such as market development, innovation, and international business exploration. Her deep industry knowledge, combined with her analytical and managerial capabilities, is expected to provide valuable insights to the Board and contribute effectively towards balanced decision-making.

Directors' Report

DEAR MEMBER(S),

Your Directors are pleased to present the 17th Annual Report along with the Audited Financial Statements of your Company for the financial year ended March 31, 2025.

1. FINANCIAL PERFORMANCE

(₹ in Lakhs)

Particulars	2024-25	2023-24
Total Income	25,193.83	31139.09
Profit before Interest, Depreciation and Tax	2911.98	2838.86
Less : Interest	1717.87	1478.39
Depreciation	640.00	781.67
Profit before exceptional items and Tax	554.11	578.80
Profit (loss) on sale of Assets/Investment	38.27	32.69
Profit before Tax	592.38	611.49
Less : Provision for Current Taxation	325.26	204.34
Provision for Deferred Taxation	-82.73	8.99
Excess/(Short) provision for taxation in earlier year	-	-
Net Profit	349.85	398.16
Add : Balance brought forward from previous year	3166.15	2802.86
Depreciation on Fixed Assets Revaluation	16.66	18.71
Amount available for Appropriation	3532.66	3219.73
Less: Dividend paid during the year	53.58	53.58
Balance Carried to Balance Sheet	3479.08	3166.15

2. OPERATIONAL PERFORMANCE

During the year under review, your Company has achieved turnover of Rs. 25,193.83 lakh as against Rs. 31,139.09 lakh in the previous year, marginal decrease by 19.09% as compared to previous financial year. Despite the reduction in revenue, Earnings Before Interest, Depreciation, and Tax (EBITDA) remained robust at ₹2,911.97 lakh, marginally higher than ₹2,871.55 lakh recorded in the preceding year, reflecting an improvement in the operating margin of 1.41%. During the year under review, Profit before tax was Rs. 592.38 lakh as compared to profit of Rs. 611.49 lakh in the previous year. The Profit after tax for the financial year under review was Rs. 349.86 lakh as against Rs. 398.16 lakh for the previous year.

The Board of Directors is pleased to recommend a dividend of Rs.0.07/- (i.e.3.50%) per equity share of Rs.2/- each on the paid-up equity share capital of company amounting to Rs.62.51 lakh. The dividend payment is subject to approval of members at the ensuing Annual General Meeting. The final dividend once approved by Shareholders will be paid within the stipulated time subject to deduction of tax at source.

Transfer to Reserves:

As permitted under the Act, the Board does not propose to transfer any amount to General Reserves. The closing balance of the retained earnings of the Company for FY 2024-25, after all appropriations and adjustments, was Rs. 3,479.08 Lakhs.

3. DIVIDEND AND RESERVES

Dividend:

4. CHANGE IN SHARE CAPITAL, IF ANY

The Capital structure of the Company is given below:

(₹ in Lakhs)

Sr No.	Particulars	As on 31/03/2025 (₹)	As on 31/03/2024 (₹)
1	Authorised Capital of the Company		
	16,00,00,000 (16,00,00,000 - PY) Equity Shares of Rs.2/- each	3,200.00	3,200.00
2	Total Authorised Capital	3,200.00	3,200.00
	Issued, subscribed and paid-up Capital of the Company		
	8,93,02,450 (8,93,02,450 - PY) Equity shares of Rs.2/- each	1,786.05	1,786.05
	Total paid-up Capital	1,786.05	1,786.05

During the Financial Year 2024-25, there was no change in the share capital of the Company.

5. DEPOSITS

During the year under review, your Company has neither accepted / renewed any deposits during the year nor has any outstanding deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

6. CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company.

7. CHANGE IN REGISTERED OFFICE

During the year under review, the registered office of the Company shifted within the Local limits of the City w.e.f. 17/04/2024, as approved at the Board of Directors Meeting held on April 17, 2024.

From

3rd Floor, Dawer Chambers, Beside J.K. Tower, Ring Road, Surat-395002, Gujarat, India

To

C.S. Nondh No. 451/A, R.S. No. 33/1 Paiki, Plot No. 5, Nr. Narendra Dyeing Mill, B/H.: Old Sub-Jail, Khatodara, Ring Road, Surat-395002, Gujarat, India

(Coming within the jurisdiction of Police Station - Khatodara Police Station).

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors:

The Company's Board of Directors comprises an optimum blend of Executive, Non-Executive and Independent Directors. The Chairperson of the Board is an Executive Director. As on March 31, 2025, the Board of directors comprises Six (6) Directors; one Managing Director, one whole-Time Director, One Executive Director, and the remaining three (3) Independent Directors.

As on 31st March, 2025, Your Company has 6 (Six) Directors, namely;

i.	Mr. Dhirajlal Raychand Shah	Executive Chairperson
ii.	Mr. Arvind Raichand Shah	Executive Director-Managing Director
iii.	Mr. Nitin Raichand Shah	Executive Director- Whole-Time Director
iv.	Mr. Rajendra Kundanlal Desai	Non-Executive - Independent Director
v.	Mrs. Richa Manoj Goyal	Non-Executive - Independent Director
vi.	Mr. Vaibhav Jayantbhai Mehta	Non-Executive - Independent Director

Changes Occurred in the Board of Directors;

i. During the year under review:

No changes in composition of Board have occurred during the year under review.

ii. Between the ends of the financial year to which these financial statements relate and the date of the report:

- Mrs. Richa Manoj Goyal, Non-Executive - Independent Director of the Company has resigned from the directorship of the Company w.e.f. from July 3, 2025.
- Ms. Ketaki Naginbhai Patel (DIN: 11249634), on the basis of approval and recommendation of the Nomination and Remuneration

Committee, the Board of Directors of the Company approved and appointed Ms. Ketaki Naginbhai Patel (DIN: 11249634) as an Additional Director (Non-Executive Independent, with effect from August 23, 2025.

Moreover, the Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the appointment of Ms. Ketaki Naginbhai Patel (DIN: 11249634), as an Independent Director of the Company and put the resolution to vote as a Special Resolution, for a term of five (5) consecutive years from August 23, 2025, to August 22, 2030, at ensuing General Meeting of the Company.

Re-appointment of Director(s) retiring by rotation:

Pursuant to the provisions of section 152 of the Companies Act, 2013 and in accordance with provisions of Articles of Association of the Company, **Mr. Shah Dhirajlal Raychand (DIN: 00010480)**, an Executive Chairman of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

None of the Directors of the Company are disqualified for being appointed as Directors as specified under Section 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Key Managerial Personnels (KMPs):

As on 31st March, 2025, Your Company has the following Key Managerial Personnel (KMPs):

I.	Mr. Dhirajlal Raychand Shah	Executive Chairperson
ii.	Mr. Arvind Raichand Shah	Managing Director
iii.	Mr. Nitin Raichand Shah	Whole-Time Director
iv.	Mr. Satish Hargovinddas Shah	Chief Financial Officer
v.	Mr. Hitesh Kantilal Garmora	Company Secretary & Compliance Officer

There were no changes occurred during the year under review AND between the ends of the financial year to which these financial statements relate and the date of the report.

9. COMMITTEES OF THE BOARD:

As on March 31, 2025, the Board has four

committees: Audit, Nomination and Remuneration, Stakeholders' Relationship and Corporate Social Responsibility. The composition of the committees is in line with the applicable provisions of the Act, Rules and the Listing Regulations and are as detailed below.

Name of the Committee	Composition of the Committee	Remarks
Audit Committee	<u>Chairperson:</u> Mr. Rajendra Kundanlal Desai <u>Members:</u> Mrs. Richa Manoj Goyal*** Mr. Dhirajlal Raychand Shah Mr. Vaibhav Jayantbhai Mehta**	The Audit committee of the Board of directors was constituted in conformity with the requirements of Section 177 of the Act and regulation 18 of the Listing Regulations and its role has been the same as stipulated in the Act and the Regulations mentioned above. All recommendations made by the Audit committee during the year were accepted by the Board.
Nomination and Remuneration Committee	<u>Chairperson:</u> Mr. Rajendra Kundanlal Desai <u>Members:</u> Mrs. Richa Manoj Goyal*** Mr. Vaibhav Jayantbhai Mehta Mr. Dhirajlal Raychand Shah	The Nomination and Remuneration committee of the Board of Directors was constituted in conformity with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations and its role has been the same as stipulated in the Act and the Regulations mentioned above.
Stakeholders' Relationship Committee	<u>Chairperson:</u> Mr. Rajendra Kundanlal Desai <u>Members:</u> Mr. Arvind Raichand Shah Mr. Dhirajlal Raychand Shah	The Stakeholders' Relationship committee of the Board of directors was constituted in conformity with the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations and its role has been the same as stipulated in the Act and the Regulations mentioned above.
Corporate Social Responsibility Committee*	<u>Chairperson:</u> Mr. Dhirajlal Raychand Shah <u>Members:</u> Mr. Arvind Raichand Shah Mr. Rajendra Kundanlal Desai	The Corporate Social Responsibility committee of the Board of directors was constituted in conformity with the requirements of Section 135 of the Act. The Committee monitors the implementation of the CSR Policy from time to time.

* The Corporate Social Responsibility Committee was formed on August 12, 2024, at the duly convened meeting of the Board of Directors of the Company.

** Mr. Vaibhav Jayantbhai Mehta was appointed as member of Audit committee w.e.f. February 12, 2025.

*** After the closure of the reporting FY.2024-25, Mrs. Richa Manoj Goyal, tendered her resignation; Therefore she ceased to be a member of the Committees of the Board w.e.f. July 3, 2025.

After the closure of the reporting FY.2024-25, Ms. Ketaki Naginbhai Patel, appointed by the Board as an additional Independent Director of the Company and was also appointed as member of Audit committee and Nomination and Remuneration Committee w.e.f. August 23, 2025.

A detailed note on the Board and its Committees along with the dates of meetings is provided in the Corporate Governance Report.

13. MEETINGS OF THE BOARD AND COMMITTEE:

During the Financial Year 2024-25, the Board of Directors met Five (5) times, and the details of the Meetings of the Board and its Committees are given in the Corporate Governance Report, which forms part of this Annual Report.

The gap intervening between the two Meetings were within the time prescribed under the Act and SEBI (LODR), Regulations.

Details of attendance at Meetings of the Board, its committees, and the Annual General Meeting are included in the Report on Corporate Governance, which forms part of this Annual Report.

14. MEETING OF INDEPENDENT DIRECTORS:

In terms of requirements under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Separate Meeting of the Independent Directors was held on February 12, 2025.

The Independent Directors at the Meeting, inter alia, reviewed the following:

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- Assessed the quality, quantity, and timeliness of the flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

15. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149

The Independent Directors have submitted a declaration of independence, as required pursuant to sub-section (7) of Section 149 of the Companies Act, 2013.

All the Independent Directors of the Company have declared that:

- [a] they meet the criteria of independence as laid down under the Act and the Listing Regulations;
- [b] they have complied with the Code of Independent Directors prescribed under Schedule IV of the Act; and

[c] they have registered themselves with the Independent Directors' Database maintained by the Indian Institute of Corporate Affairs.

16. STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR:

In the opinion of the Board of Directors of the Company, Independent Directors on the Board of Company hold the highest standards of integrity and are highly qualified, recognized and respected individuals in their respective fields. It's an optimum mix of expertise (including financial expertise), leadership and professionalism.

All the Independent Directors of your Company have been registered and are members of Independent Directors Data bank maintained by the Indian Institute of Corporate Affairs (IICA) and have passed the Online Proficiency Self-Assessment Test conducted by Indian Institute of Corporate Affairs (IICA).

17. POLICY ON APPOINTMENT & REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Pursuant to provision of Section 178(3) of the Companies Act, 2013, the Board has framed a Policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management employees and other employees, including criteria for determining qualifications, positive attributes and independence of Directors. The salient features of the Nomination and Remuneration Policy of the Company has been disclosed in the Corporate Governance Report, which is a part of this report. The said Policy is available on the Company's website and can be accessed using the https://www.shahlon.com/reports/disclosure/NAR_Policy.pdf.

18. PARTICULARS OF EMPLOYEES AND REMUNERATION

The Disclosure required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to percentage increase in remuneration, ratio of remuneration of each Director and Key Managerial Personnel to the median of employees' remuneration is provided in, is annexed as '**Annexure - 1**' and forms an integral part of this Report.

A statement comprising the names of top 10 employees in terms of remuneration drawn in terms of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. However, in terms of Section 136 of the Act, the Integrated Annual Report is being sent to the shareholders and others entitled thereto, excluding the said annexure, Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual

General Meeting during the business hours on working days.

There were no employees whose remuneration was in excess of the limits in pursuance of section 197(12) of the Companies Act, 2013 read with Rule 5(2) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

19. NUMBER OF EMPLOYEES AS ON THE CLOSURE OF FINANCIAL YEAR AND GENDERWISE BIFURCATION THEREOF:

The details relating to the number of employees as on the closure of financial year and gender wise bifurcation thereof is as follows:

Sr. No.	Category	No. of Employees
I.	Female	53
ii.	Male	644
iii.	Transgender	0
	Total Employees	697

20. POLITICAL CONTRIBUTION:

During the year under review, the Company has made Political contribution of Rs. 30,00,000/- (Rupees Thirty Lakhs Only) to a political party, which is in compliance with the Section 182 and other applicable provisions of the Companies Act, 2013.

21. DETAILS OF SUBSIDIARY/JOINT VENTURES / ASSOCIATE COMPANIES

Your Company does not have any Subsidiary, Joint Ventures or Associate Company.

22. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the particulars relating to conservation of energy, Technology Absorption and foreign exchange earnings and outgo is appended as an 'Annexure-2' to this Board's Report.

23. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge, belief and according to the information and explanations obtained, your

Directors make the following statements in terms of Section 134(3)(c) & 134(5) of the Companies Act, 2013:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors 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 at the end of the financial year and of the profit and loss of the company for that period;
- The directors 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;
- The directors had prepared the annual accounts on a going concern basis;
- The directors had laid down internal financial controls to be followed by the company and that

such internal financial controls are adequate and were operating effectively.

- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. AUDITORS AND AUDITOR'S REPORT

Statutory Auditors:

M/s Rasesh Shah & Associates, Chartered Accountants (Firm Registration No. 0108671W) completed their second term and have been retired as the Statutory Auditors of the company w.e.f. 30.09.2024 i.e. on conclusion of the 16th AGM of the company.

Based on the recommendation of Audit Committee and Board of Directors, Shareholders approved the appointment of M/s. HTKS & Co., Chartered Accountants (Firm Registration No 111032W), at the 16th AGM, as the Statutory Auditors of the Company, for a term of 5 consecutive years commencing from the conclusion of 16th AGM till the conclusion of 21st AGM of the Company.

Accordingly, M/s. HTKS & Co., Chartered Accountants, Statutory Auditors of the Company will continue as such till the conclusion of Annual General Meeting to be held in the Year 2029. In this regard, the Company has received a Certificate from the Auditors to the effect that their continuation as Statutory Auditors would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

➤ Statutory Auditors' Observations in Audit Report:

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. HTKS & Co., Chartered Accountants (Firm Registration No 111032W), Statutory Auditors in their report for the Financial Year ended March 31, 2025.

Moreover, there is no incident of fraud requiring reporting by the Auditors under Section 143(12) of the Act.

➤ Board's response on Auditor's qualification, Reservation or adverse Remark or disclaimer made

There are no qualifications, reservations or adverse remarks made by the statutory auditors in their report for the reporting financial year.

Secretarial Auditors:

The Company has appointed Shri Bhairav H. Shukla, Practicing Company Secretary, (CP: 5820) Surat to conduct the Secretarial Audit of the Company as required by Section 204 of the Companies Act, 2013 and Rules made thereunder. The Company provided all assistance and facilities to the Secretarial Auditors for conducting their audit. Shri Bhairav H. Shukla, has also conducted the Annual Secretarial Compliance pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Secretarial Audit Report, in Form MR-3, for the financial year ended March 31, 2025 is annexed herewith as '**Annexure-3**'.

Pursuant to the amended provisions of Regulation 24A of the SEBI (LODR) Regulations and Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Based on the recommendation of the Audit Committee, the Board of Directors have approved and recommended the appointment of M/s. JDM and Associates LLP, Peer Reviewed Firm of Company Secretaries in Practice as Secretarial Auditors of the Company for a term of up to 5 (Five) consecutive years to hold office from the conclusion of ensuing 17th AGM till the conclusion of 22nd AGM of the Company to be held in the Year 2030, for approval of the Members at ensuing AGM of the Company. Brief resume and other details of M/s. JDM and Associates LLP, Company Secretaries in Practice, are separately disclosed in the Notice of ensuing AGM.

M/s. JDM and Associates LLP have given their consent to act as Secretarial Auditors of the Company and confirmed that their aforesaid appointment (if made) would be within the prescribed limits under the Act & Rules made thereunder and SEBI (LODR) Regulations. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act & Rules made thereunder and SEBI (LODR) Regulations.

➤ Secretarial Auditors' Observations in Audit Report:

The Secretarial Audit Report for the financial year ended March 31, 2025 issued by Shri Bhairav H. Shukla, Practicing Company Secretary, (CP: 5820) Surat, is annexed herewith as '**Annexure- 3**'. The report is self-explanatory and does not call for any further explanation / comments as required under Section 134(3)(f) of the Companies Act, 2013.

Moreover, there is no incident of fraud requiring reporting by the Secretarial Auditor under Section 143(12) of the Act.

Cost Auditors:

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. PNR & Co. LLP, Cost Accountants, Surat (Firm Registration No: 006470) as Cost Auditor of the Company, for the financial year ending March 31, 2026, on a remuneration as mentioned in the Notice convening the 17th Annual General Meeting for conducting the audit of the cost records maintained by the Company.

A Certificate from M/s. PNR & Co. LLP, Cost Accountants, has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

A resolution seeking Members' approval for remuneration payable to Cost Auditors forms part of the Notice of the 17th Annual General Meeting of the Company and the same is recommended for your consideration.

Cost Audit Report for the year March 2024 was filed with the Central Government, within the prescribed time limit AND The Cost Audit Report for the year ended on 31st March 2025, shall be filed within prescribed time after completion of Cost Audit by Cost Auditors.

The company has made and maintained books of account and records pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013.

➤ Cost Auditors' Observations in Audit Report:

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. PNR & Co. LLP, Cost Accountants, Surat (Firm Registration No: 006470), in his Cost Audit Report for the Financial Year ended March 31, 2024.

Moreover, there is no incident of fraud requiring reporting by the Cost Auditor under Section

143(12) of the Act.

- Board's response on Auditor's qualification, Reservation or adverse Remark or disclaimer made

There are no qualifications, reservations or adverse remarks made by the Cost auditors in their report.

25. INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY:

The Company believes that Internal Control is one of the key pillars of governance, which provides freedom to the management within a framework of appropriate checks and balances. The Company has a robust internal control framework, which has been developed considering the nature, size and risks in the business.

The Company has adequate internal control systems in place and also has reasonable assurance on authorizing, recording and reporting transactions of its operations. The Company has well-placed, proper and adequate internal controls environment, commensurate with its size, scale and complexities of its operations. The Company had already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity level policies, processes and operating level standard operating procedures (SOP). Internal control systems are an integral part of your Company's Corporate Governance structure. Information Technology (IT) policies and processes also ensure that they mitigate the current business risks. The Company has in placed ERP software system, supported by BI tools. The systems and processes are continuously improved by adopting best in class processes and automation and implementing the latest IT tools which help further for maintaining financial and commercial discipline. These have been designed to provide reasonable assurance with regard to credibility of data and compliances, inter-alia:

- Recording and providing reliable financial and operational information;
- Complying with the applicable statutes;
- Safeguarding assets from unauthorized use;
- Executing transactions with proper authorization, and ensuring compliance with corporate policies;

- e) Prevention and detection of Frauds / errors;
- f) Continuous updating of IT software/systems.

These are aimed at giving the Audit Committee a reasonable assurance on the reliability of financial reporting and statutory & regulatory compliances, effectiveness and efficiency of your Company's operations. The Internal Financial Control Systems are reviewed periodically and revised to keep in tune with the changing business environment.

Statutory Auditors of the company has conducted audit of internal financial control system over financial reporting and operating effectiveness of such controls. Separate audit report on internal financial control is annexed to Auditors Report and forming part of this report.

26. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Your Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for Directors and employees in confirmation with Section 177 of the Act and Regulation 22 of SEBI Listing Regulations, to facilitate reporting of the genuine concerns about unethical or improper activity, without fear of retaliation. The vigil mechanism of the Company provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The said policy is uploaded on the website of the Company at https://www.shahlon.com/reports/disclosure/VIGIL%20MECHANISM_SSIL.pdf.

27. BUSINESS RISK MANAGEMENT

The Company has laid down a Risk Management Policy and identified threat of such events which if occur may adversely affect either or value to shareholders, ability of Company to achieve objectives, ability to implement business strategies. Such inherent risks are categorized into Strategic risk, Operating risk and Regulatory risk. Managing Director and other Directors of the Company in consultation with Audit Committee will review from time to time the risk and suggest steps to be taken to control and mitigate the same through a properly defined framework. It may be noted that none of the identified risks is of a nature which would threaten the existence of the Company. We consistently and periodically review our systems and policies in order to establish sound risk management

and internal control systems.

28. ANNUAL RETURN:

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Companies (Management and Administration) Rules, 2014, the Annual Return of the Company in Form MGT-7 has been placed on the Company's website (www.shahlon.com).

29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given any guarantees or provided any security covered under the provisions of section 185 and 186 of the Companies Act, 2013 during the year under review.

The Company has complied with provisions of the Companies Act, 2013 with respect to loans granted, investments made or guarantee given.

30. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders.

The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions.

The particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188 entered by the Company during the Financial Year ended March 31, 2025, in prescribed Form AOC-2 is annexed to this Board's Report as **"Annexure - 4"**.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is uploaded on the website of the Company and the web link is https://www.shahlon.com/reports/disclosure/RPT_Policy.pdf.

31. EVALUATION OF THE BOARD'S PERFORMANCE

The Company has devised a Policy for performance evaluation of the Board as a whole, Committees and individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-executive Directors and Executive Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

Further, The Chairperson, based on the Evaluation done by the Directors, informed that the performance of the Directors is satisfactory, and they are recommended for continuation as Directors of the Company.

32. SCHEME OF AMALGAMATION / ARRANGEMENT

During the financial year under review, your Company has not proposed or considered or approved any Scheme of Merger / Amalgamation / Takeover / Demerger or Arrangement with its Members and/or Creditors.

33. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016, DURING THE FINANCIAL YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

During the financial year under review, there was no application made and proceeding initiated / pending

by any Financial and/or Operational Creditors against your Company under the Insolvency and Bankruptcy Code, 2016.

As on the date of this Report, there is no application or proceeding pending against your Company under the Insolvency and Bankruptcy Code, 2016.

34. DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF VALUATION AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE AT THE TIME OF TAKING A LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the financial year under review, the Company has not made any settlement with its bankers for any loan(s) / facility(ies) availed or / and still in existence.

35. SECRETARIAL STANDARDS

The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

36. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There are no significant and material orders passed by the Regulators or Courts or tribunals which would impact the going concern status of the Company and its future operations.

37. MATERIAL CHANGES AFFECTING THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report.

38. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at work place and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. An Internal Complaints Committee (ICC) has been set up in compliance with the said Act.

The following is a summary of sexual harassment complaints received and disposed of during the year:

- a) number of complaints filed during the financial year - Nil

- b) number of complaints disposed of during the financial year - Nil
- c) number of complaints pending as on end of the financial year - Nil

39. COMPLIANCE WITH THE PROVISIONS RELATING TO THE MATERNITY BENEFIT ACT 1961.

The Company declares that it has duly complied with the provisions of the Maternity Benefit Act, 1961. All eligible women employees, if any, have been extended the statutory benefits prescribed under the Act, including paid maternity leave, continuity of salary and service during the leave period, and post-maternity support such as nursing breaks and flexible return-to-work options, as applicable. The Company remains committed to fostering an inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

40. TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO IEPF

During the year, the Company has transferred the unclaimed and unpaid dividend of 266496.25/-. Further, the corresponding equity shares on which dividends were unclaimed for seven consecutive years were also transferred as per the requirements of the IEPF Rules.

41. CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of Section 135 of the Companies Act, 2013, and the Rules made there under, the Company has constituted a Corporate Social Responsibility (CSR) Committee and also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at https://www.shahlon.com/reports/disclosure/CSR_Policy.pdf.

An Annual Report on CSR activities of the Company for the Financial Year 2024-25 as Required to be given under Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided as an "Annexure - 5" to this Report.

During the F.Y.2024-25 the Company was required to spend an amount of Rs. 7.05 Lakhs for implementation of various CSR activities in terms of Section 135 of the Companies Act, 2013. In this regard the Company has

spent an amount of Rs. 7.25 Lakhs on CSR activities which is in excess of the minimum amount required to be spent by the Company.

42. CORPORATE GOVERNANCE:

A separate report on Corporate Governance pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Part C of Schedule V thereof, along with a certificate from Shri Bhairav H. Shukla, Practicing Company Secretary, (CP: 5820) Surat confirming compliance of the conditions of Corporate Governance is provided as a distinct section of this Annual Report.

43. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report is given in 'Annexure-6' to this Report.

44. ACKNOWLEDGMENT

Your Directors express their grateful appreciation for the assistance and co-operation received from the Banks, Financial Institutions, Government Authorities, Customers, Suppliers and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for committed services of employees of the Company at all the levels.

For and on behalf of the Board of Directors
M/s Shahlon Silk Industries Limited

Dhirajlal Raychand Shah
Executive Chairman
(DIN: 00010480)

Place : Surat
Date : 30.08.2025

ANNEXURE - 1

RATIO OF DIRECTORS' REMUNERATION TO MEDIAN EMPLOYEES' REMUNERATION AND OTHER DISCLOSURE

[Pursuant to Sub-Section (12) of Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

(i)	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2024-25		Director's Name	Ratio to median remuneration
	1		Shri. Dhirajlal R. Shah	48.19 : 1
	2		Shri. Arvind R. Shah	48.19 : 1
	3		Shri. Nitin R. Shah	48.19 : 1
(ii)	The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2024-25 compared to 2023-24		Director's/CFO/CEO/CS/ Manager name	% increase in remuneration
	1		Mr.Dhirajlal R. Shah	0.00%
	2		Mr. Arvind R. Shah	0.00%
	3		Mr. Nitin R. Shah	0.00%
	4		Mr. Satish Shah	7.71%
	5		Mr. Hitesh K. Garmora	8.05%
(iii)	Percentage increase in the median remuneration of employees in the financial year 2024-25 compared to 2023-24		47.49%	
(iv)	Number of permanent employees on the rolls of the company;		As on 31.03.2025	As on 31.03.2024
			547	745
(v)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;			
	The average percentage increase in the salaries of employees other than Managerial Personnel in Financial Year 2024-25 was 7.00%. The increments given to employees are based on their potential, performance, and contribution, which are benchmarked against applicable Industry norms. Whereas the remuneration of the Managerial Personnel remained unchanged, except for the Company Secretary and Chief Financial Officer, whose average remuneration increased by 7.87%. There is no exceptional increase in remuneration of key Managerial Personnel.			
(vi)	Affirmation that the remuneration is as per the Remuneration policy of the Company: It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other employees of the Company.			

For and on behalf of the Board of Directors
M/s Shahlon Silk Industries Limited

Dhirajlal Raychand Shah
Executive Chairman
(DIN: 00010480)

Place : Surat

Date : 30.08.2025

ANNEXURE - 2

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

(A) Conservation of energy-

- (I) the steps taken or impact on conservation of energy;
 - Maintaining power factor and accordingly obtained rebate from DGVCL of Rs. 1182697.70/- during the year.
 - Further, following steps taken to save energy:
 - ETP Aeration Tank 2 motor connect with 2 no. VFD - which saves 185 kwh per day i.e. Rs.39,960/- per month.
 - Replaced 11 Nos. Waterjet Humidity motor (consuming 878 kwh per day) with 11 New Exhaust Fan motor (consuming 275 kwh per day), which saves Rs. 1,29,360/- per month.
 - Replaced 9 Nos. TFO Humidity motor (consuming 492 kwh per day) with 9 New Exhaust Fan (consuming 152 kwh per day), which saves Rs. 76,962/- per month.
 - Replaced 850 Nos. 28 w Tube light (consuming 570 kwh per day) with 850 new 16 w LED light (consuming 325 kwh per day), which saves Rs. 61,005/- per month.
 - Replaced 8 Nos. 250 w Sodium lamp (consuming 48 kwh per day) with 8 new 100w Fluorescent light (consuming 19.2 kwh per day), which saves Rs. 7,171.20/- per month.

- (ii) the steps taken by the company for utilising alternate sources of energy;

- The Company is exploring potential of using alternate source of energy, which may be considered for implementation in future. The company has installed in past two 0.6MW, one 1.2MW and one 2.1MW windmills for captive generation of power.

- (iii) the capital investment on energy conservation equipments; - NIL

(B) Technology absorption-

- (I) The efforts made towards technology absorption; and
- (ii) the benefits derived

Your company is keeping a close eye on the new product development and upgradation of technology in existing products. Upgradation in various areas of plant and machinery is continuously carried out. The company has adopted standard cost for each product quality and comparing it with actual cost from time to time. If there is any major deviation, then proper and prompt remedial action is taken to improve it. These developments will result in improvement in the quality of the product and yield resulting in superior cost competitiveness.

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - NIL
- (iv) the expenditure incurred on Research and Development. - NIL

(C) Foreign exchange earnings and Outgo:

Total Foreign Exchange used and earned.

(₹ in Lakhs)		
Particulars	2024-25	2023-24
I) Foreign Exchange Earnings	1536.69	1765.43
II) Foreign Exchange Outgo:		
a) Raw Materials	119.02	95.23
b) Capital Goods	-	1.46
c) Consumables Stores	4.75	30.39
d) Foreign Travelling Expenses	4.02	5.55
e) Export Commission	2.44	17.88
f) Business Convention Expenses	-	4.51

For and on behalf of the Board of Directors
M/s Shahlon Silk Industries Limited

Dhirajlal Raychand Shah
Executive Chairman
(DIN: 00010480)

Place : Surat
Date : 30.08.2025

ANNEXURE - 3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended on 31st March, 2025

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

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

To,
The Members,
SHAHLON SILK INDUSTRIES LIMITED
(CIN - L17120GJ2008PLC053464)
Plot No. 5, C.S. Nondh No. 451/A, R.S. No. 33/1 paiki,
Nr. Narendra Dyeing Mill, B/h. Old Sub-Jail, Khatodara,
Ring Road, Surat-395002, Gujarat, India.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHAHLON SILK INDUSTRIES LIMITED** (CIN - L17120GJ2008PLC053464) (hereinafter called the "company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2025**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2025**, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there-under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not applicable** to the Company during the financial year under review);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not applicable** as the Company has not issued shares to the Employees during the financial year under review);
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. (**Not applicable** as the Company had not issued and listed any debt securities, non-convertible securities or commercial paper during the financial year under review);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)

Regulations, 1993 regarding the Companies Act and dealing with client. [**Not applicable** as the company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;]

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021. [**Not applicable** as the Company has not delisted / proposed to delist its equity shares from Stock Exchange during the financial year under review];
- h. The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018. [**Not applicable** as the Company has not bought back / proposed to buy-back any of its securities during the financial year under review];
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Other laws specifically applicable to the Company namely –

1. Factories Act, 1948
2. The Environment (Protection) Act, 1986
3. Air (Prevention and Control of Pollution) Act, 1981
4. Water (Prevention and Control of Pollution) Act, 1974
5. Foreign Trade Regulation Act, 1992

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

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the company with the BSE Ltd.

I report that, during the year under review, the company has complied with the provisions of the Acts, rules, regulations and guidelines, standards mentioned above subject to the following observations:

(a)

Sr. No.	01.
Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Fees and other charges to be paid to the recognised stock exchanges(s). The listed entity shall pay all such fees or charges, as applicable, to the recognised stock exchange(s), in the manner specified by the Board or the recognized stock exchange(s).
Regulation/Circular No.	Regulation 14 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Deviations	Delayed in payment of Annual Fees of the BSE (Bombay Stock Exchange).
Action Taken by	BSE Limited
Type of Action	Levied Interest of Rs. 6500/- plus (GST) 1170/- (Total Rs. 7670/-)
Details of Violation	Delayed in Compliance of Regulation 14 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 The Listed entity shall pay annual fees on or before 30th April every year. However, the Company has paid annual fees of BSE on 11.06.2024
Fine Amount	No fine imposed

Observations/Remarks of the Practicing Company Secretary	Delayed in payment of Annual Fees The listed entity has paid annual fees of the BSE (Bombay Stock Exchange) on 11.06.2024
Management Response	The Company made the payment towards Annual Listing Fees to the Bombay Stock Exchange (BSE) on June 11, 2024, for the financial year 2024-25. The delay in payment was due to overlooked administrative circumstances.
Remarks	Acknowledged
Sr. No.	02.
Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Restrictions on communication and trading by Insiders Regulation 3(5)- The Board of directors or head(s) of the organization of every person required to handle unpublished price sensitive information shall ensure that a Structured Digital Database is maintained containing the nature of Unpublished Price Sensitive Information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. Regulation 3(6)- The Board of Directors or Head(s) of the organization of every person required to handle unpublished price sensitive information shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.
Regulation/Circular No.	Regulation 3(5) and 3(6) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
Deviations	Non-Maintenance of structured digital database (SDD) software by the listed entity for the period from 01.04.2024 to 31.12.2024. [Reg. 3(5)] AND Non-Preservation of structured digital database (SDD) software as required under [Reg. 3(6)].
Action Taken by	No action taken by the exchange yet.

Type of Action	N.A.
Details of Violation	Non-Compliance of Regulation 3(5) and 3(6) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Listed entity has not maintained SDD Data Base for a period from 01.04.2024 to 31.12.2024 [Reg. 3(5)]. AND Non-Preservation of structured digital database (SDD) software as required under [Reg. 3(6)].
Fine Amount	N.A.
Observations/Remarks of the Practicing Company Secretary	Non-Maintenance & Preservation of structured digital database (SDD) software by the listed entity.
Management Response	Malicious viruses led to hard disk failure, consequently, disruption in working of the computer occurred, in which the SDD software was maintained by the Company, which ended up loss of data of the Company, Even after all the endeavors, the company lost the data including data available in SDD Software of the Company and same was disclosed in the Corporate Governance Report filed with the BSE for the quarter ended 31.12.2024.
Remarks	Acknowledged

I further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Meetings of the Board and Committees of the Board. Except where consent of the directors was received for scheduling meeting at a shorter notice (to transact urgent business on fulfilling conditions as prescribed under section 173 (3) of the Companies Act, 2013), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the meetings of the Board of Directors & the committee thereof duly recorded and signed by the Chairman the decision of the Board or Committee was unanimous and there were no dissenting views on any matter.

Note: This report is to be read with my letter of even date which is annexed as **"ANNEXURE A"** and forms an integral part of this report.

I further report that based on review of compliance mechanism established by company and on the basis of representation made / certificate issued by the Company and its officers, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Bhairav H Shukla

Practising Company Secretary

FCS -6212

COP No.- 5820

UDIN - F006212G001082837

Place: Surat

Date: 26.08.2025 Peer Review Certificate No. 1015/2020

"ANNEXURE – A"
FORM No. MR - 3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended on 31st March, 2025

To,
The Members,

SHAHLON SILK INDUSTRIES LIMITED

(CIN - L17120GJ2008PLC053464)

Plot No. 5, C.S. Nondh No. 451/A, R.S. No. 33/1 paiki,
Nr. Narendra Dyeing Mill, B/h. Old Sub-Jail, Khatodara,
Ring Road, Surat-395002, Gujarat, India.

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and for which we relied on the report of statutory auditor.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Bhairav H Shukla

Practising Company Secretary

FCS -6212

COP No.- 5820

UDIN - F006212G001082837

Place: Surat

Date: 26.08.2025 Peer Review Certificate No. 1015/2020

ANNEXURE - 4

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

During the year, The Company has not entered into any contracts or arrangements with any of the related parties which are not on arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

1.	Name(s) of the related party	M/s. Lotus Marketing
	Nature of relationship	Directors are partners
	Nature of contracts / arrangements / transactions	Sale, purchase or supply of any goods materials, availing or rendering of any services
	Duration of the contracts / arrangements / transactions	01-04-2024 to 31-03-2025
	Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	56.69 Lakhs
	Date of approval by the Board (DD/MM/YYYY)	February 13, 2024
	Amount paid as advances, if any	Nil
2.	Name(s) of the related party	M/s. Autotech Non-Wovens Private Limited
	Nature of relationship	Common Directors
	Nature of contracts / arrangements / transactions	Sale, purchase or supply of any goods materials, availing or rendering of any services
	Duration of the contracts / arrangements / transactions	01-04-2024 to 31-03-2025
	Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	53.79 Lakhs
	Date of approval by the Board (DD/MM/YYYY)	February 13, 2024
	Amount paid as advances, if any	Nil

3.	Name(s) of the related party	M/s. Shahlon Enterprises LLP
	Nature of relationship	Relative of Directors are partners
	Nature of contracts / arrangements / transactions	Sale, purchase or supply of any goods materials, availing or rendering of any services
	Duration of the contracts / arrangements / transactions	01-04-2024 to 31-03-2025
	Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	786.48 lakhs
	Date of approval by the Board (DD/MM/YYYY)	February 13, 2024
	Amount paid as advances, if any	Nil
4.	Name(s) of the related party	M/s. Fairdeal Textile Park Private Limited
	Nature of relationship	Common Directors
	Nature of contracts / arrangements / transactions	Sale, purchase or supply of any goods materials, availing or rendering of any services including payment of lease rent and other charges
	Duration of the contracts / arrangements / transactions	01-04-2024 to 31-03-2025
	Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	24.19 Lakhs
	Date of approval by the Board (DD/MM/YYYY)	February 13, 2024
	Amount paid as advances, if any	Nil

5.	Name(s) of the related party	M/s. Fairdeal Eco Infra Private Limited
	Nature of relationship	Common Directors
	Nature of contracts / arrangements / transactions	Sale, purchase or supply of any goods materials, availing or rendering of any services
	Duration of the contracts / arrangements / transactions	01-04-2024 to 31-03-2025
	Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	0.18 Lakhs
	Date of approval by the Board (DD/MM/YYYY)	February 13, 2024
	Amount paid as advances, if any	Nil

* All transaction entered by the Company is at market rate i.e. on arm's length basis and in ordinary course of business.

For and on behalf of the Board of Directors
M/s Shahlon Silk Industries Limited

Dhirajlal Raychand Shah
 Executive Chairman
 (DIN: 00010480)

Place : Surat
Date : 30.08.2025

ANNEXURE - 5

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013]

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

The Company follows community development strategy with initiatives interlinked to its long term objectives for sustainable development. Its business and economic growth has always been underlined / complimented by adherence to environmental preservation, societal upliftment and financial prudence. The contributions by the Company in the field of corporate social responsibility fall within the

broad framework of Schedule VII to the Companies Act, 2013 which inter-alia include wide range of areas aligned to national priorities and sustainable development such as education, healthcare, sustainable livelihood, women empowerment, rural and infrastructure development, environment protection, supporting widows/dependents of martyrs of armed forces and promotion of art, culture & sports, epitomizing a holistic approach to inclusive growth.

2. Composition of CSR Committee*:

Sr. No.	Name of Committee Member	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Shah Dhirajlal Raychand (DIN: 00010480)	Chairperson (Executive Chairman)	1	1
2.	Mr. Arvind Raichand Shah (DIN: 00010483)	Member (Managing Director)	1	1
3.	Mr. Rajendra Kundanlal Desai (DIN: 00198139)	Member (Independent Director)	1	1

* CSR Committee was constituted at the duly convened Board Meeting of the Board of Directors of the Company held on August 12, 2024.

➤ CSR Policy & Project: <https://www.shahlon.com/Policies.php>

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

➤ CSR Committee: <https://www.shahlon.com/Committees.php>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

The impact assessment is not applicable to the Company.

5. (a) Average net profit of the company as per Section 135(5):

(₹ in Lakhs)

Sr. No.	Financial Year	Net Profit as per Section 198 (in RS.)
1.	2021-22	575.58
2.	2022-23	-97.41
3.	2023-24	578.80
	Total	1056.97
	Average Net Profit	352.32

(b) Two per cent of average net profit of the company as per section 135(5): 7.05 Lakhs

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.: N.A.

(d) Amount required to be set-off for the financial year, if any.: N.A.

(e) Total CSR obligation for the financial year [(b)+(c)-(d)].: 7.05 Lakhs

6. (a) Amount spent on CSR Projects(both Ongoing and other than Ongoing Project): 7.25 Lakhs

(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)].: 7.25 Lakhs

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs. In lakhs)	Amount Unspent (in Rs.)				
	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 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
7.25 Lakhs	Not Applicable				

(f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (Rs. In Lakhs)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	7.05 Lakhs
(ii)	Total amount spent for the Financial Year	7.25 Lakhs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.20 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.20 Lakhs

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

Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (Rs.)	Balance Amount in Unspent CSR Account under section 135(6) (Rs.)	Amount spent in the Financial Year (Rs.)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs)	Date of transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

created/acquired: Not applicable

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year

If Yes, enter the number of Capital assets

Sr. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Date of transfer
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

For and on behalf of the Board of Directors
M/s Shahlon Silk Industries Limited

Place : Surat

Date : 30.08.2025

Arvind Raichand Shah

Managing Director
(DIN: 00010483)

Dhirajlal Raychand Shah

Chairman, CSR Committee
(DIN: 00010480)

ANNEXURE - 6

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy:

The global economy continued to demonstrate steady progress despite operating within a challenging and uncertain environment. According to the IMF World Economic Outlook, April 2025, global GDP expanded by 3.3 percent in 2024 and is projected to grow by 2.8 percent and 3.0 percent in 2025 and 2026, respectively. While these projections indicate a degree of stability, they also underscore a moderation in growth compared to historical trends.

From a sectoral perspective, the global services sector maintained its expansionary momentum, whereas manufacturing exhibited signs of weakness, notably within Europe. Additionally, heightened trade policy uncertainty marked by an increase in protectionist measures by major economies poses a potential risk to global trade and investment flows should such measures persist.

Looking ahead, risks associated with geopolitical tensions and climate-related disruptions remain prevalent. In response to this evolving global landscape, businesses are increasingly prioritizing resilience, operational diversification, and the pursuit of sustainable long-term value creation.

Indian Economy:

India's economy continued on a stable growth trajectory in FY 2024-25, exhibiting resilience in the face of global challenges and geopolitical uncertainties. According to the First Advance Estimates issued by the Ministry of Statistics & Programme Implementation (MoSPI), real GDP is anticipated to expand by 6.4 percent for the fiscal year, reinforcing India's position as one of the world's fastest-growing major economies.

The industrial sector recorded a robust growth rate of 6.2 percent, primarily driven by sustained infrastructure development and construction activities. The Manufacturing Purchasing Managers' Index (PMI) remained firmly in expansionary territory, while Reserve Bank of India (RBI) surveys suggests strengthening order books and improving business sentiment in the coming quarters. During the first half of FY25, exports registered a growth of 5.6 percent, whereas imports remained broadly stable.

Notably, India's economic performance has been underpinned by sound macroeconomic fundamentals, including contained inflation, a prudent fiscal position, and

a stable balance of payments. These factors have collectively enhanced the economy's resilience and reinforced investor confidence.

Indian Textile Industry:

The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030.

India's textile exports have already reached Rs. 3 lakh crore (US\$ 35.14 billion), and the goal is to triple this to Rs. 9 lakh crore (US\$ 105.42 billion) by 2030 by strengthening domestic manufacturing and expanding global reach.

Global apparel market is expected to grow at a CAGR of around 8% to reach US\$ 2.37 trillion by 2030 and the Global Textile & Apparel trade is expected to grow at a CAGR of 4% to reach US\$ 1.2 trillion by 2030.

India is the world's second-largest producer of textiles and garments. It is also the sixth-largest exporter of textiles spanning apparel, home and technical products. India has a 4.6% share of the global trade in textiles and apparel.

The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports.

The textile sector is expected to play a significant role, with a target of US\$ 100 billion in exports by FY30, up from Rs. 3,12,540 crore (US\$ 36.61 billion) in FY25.

The amount of Rs. 10,683 crore (US\$ 1.44 billion) PLI scheme is expected to be a major boost for textile manufacturers. The scheme proposes to incentivise MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products.

India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$ 65 billion by FY 2026.

India enjoys a comparative advantage such as Abundant availability of raw materials like cotton, wool, silk and jute and also in terms of skilled manpower and in cost of production relative to other major textile producers. In FY25, the total exports of textiles and apparels (incl. handicrafts) stood at Rs. 3,12,540 crore (US\$ 36.61 billion).

100% FDI (automatic route) is allowed in the Indian textile sector, Cumulative FDI inflows in the textiles sector (including dyed and printed textiles) stood at Rs. 29,077 crore (US\$ 4.56 billion) between April 2000-September 2024. Indian Government is taking initiatives to attract

foreign investment in the textile sector through promotional visits to countries such as Japan, Germany, Italy and France. According to the new Draft of the National Textile Policy, the Government is planning to attract foreign investment and creating employment opportunities for 35 million people.

Opportunities, Threats, Risk and concerns:

The Indian textile industry, one of the country's oldest sectors, remains a cornerstone of its cultural legacy and industrial strength. Over the decades, it has evolved into a fully integrated, globally competitive value chain, spanning fiber production, advanced spinning and weaving technologies, sophisticated processing, garment manufacturing, and a resilient export infrastructure. Today, the sector represents a unique fusion of tradition, innovation, and international reach, offering a diverse range of products tailored for both domestic and global markets.

The sector is undergoing transformative change, propelled by rapid technological advancement, shifting consumer preferences, and rising disposable incomes. Technical textiles — serving healthcare, construction, automotive, and defense industries — are redefining the industry's scope and opening new frontiers of growth. Government initiative continues to support the textile sector, the Union Budget 2025-26 reaffirmed this commitment with an allocation of Rs. 5,272 Crores; a 19% year-on-year increase for the Ministry of Textiles. In parallel, the Government's focus on expanding bilateral and free trade agreements is expected to create substantial new opportunities.

Moreover, the growth of India's middle class, with its rising purchasing power, is driving higher demand for quality textiles and apparel. The rapid rise of online shopping platforms and organised retail stores is significantly fuelling the industry's growth. As consumers increasingly seek eco-friendly and sustainable textile options, new market opportunities are emerging.

The primary threat stems from volatile raw material prices, particularly cotton, which is influenced by unpredictable weather conditions and global market dynamics. Additionally, increased competition from both domestic and international players poses a significant risk, pressuring profit margins. The company also faces challenges related to compliance with stringent environmental regulations and sustainability standards, which may lead to increased operational costs. Currency fluctuations and economic instability in key export markets further exacerbate financial risks. Concerns over potential disruptions in the supply chain, due to geopolitical tensions

or logistic issues, could also adversely affect production and delivery schedules. Lastly, the ongoing need for technological advancements and innovation to keep up with industry trends demands substantial investment, presenting both a risk and an opportunity for future growth.

The company has established network for marketing of its products, wide spread customer base, good market reputation and quality of the products, the company is in a position to pass on increase if any in cost to their customers.

Internal Control System and their adequacy:

The Company believes that Internal Control is one of the key pillars of governance, which provides freedom to the management within a framework of appropriate checks and balances. The Company has a robust internal control framework, which has been developed considering the nature, size and risks in the business.

The Company has adequate internal control systems in place and also has reasonable assurance on authorizing, recording and reporting transactions of its operations. The Company has well-placed, proper and adequate internal controls environment, commensurate with its size, scale and complexities of its operations. The Company had already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity level policies, processes and operating level standard operating procedures (SOP). Internal control systems are an integral part of your Company's Corporate Governance structure. Information Technology (IT) policies and processes also ensure that they mitigate the current business risks. The Company is successfully running ERP software system equipped with an audit trail (edit log) feature, supported by BI tools. The systems and processes are continuously improved by adopting best in class processes and automation and implementing the latest IT tools which help further for maintaining financial and commercial discipline. These have been designed to provide reasonable assurance with regard to credibility of data and compliances, inter-alia:

- a) Recording and providing reliable financial and operational information;
- b) Complying with the applicable statutes;
- c) Safeguarding assets from unauthorized use;
- d) Executing transactions with proper authorization, and ensuring compliance with corporate policies;

- e) Prevention and detection of Frauds / errors;
- f) Continuous updating of IT systems.

These are aimed at giving the Audit Committee a reasonable assurance on the reliability of financial reporting and statutory & regulatory compliances, effectiveness and efficiency of your Company's operations. The Internal Financial Control Systems are reviewed

periodically and revised to keep in tune with the changing business environment.

Statutory Auditors of the company has conducted audit of internal financial control system over financial reporting and operating effectiveness of such controls. Separate audit report on internal financial control is annexed to Auditors Report and forming part of this report.

Financial Performance:

The brief summary of financial statement is reproduced hereunder:

(₹ in Lakhs)

Particulars	FY2024-25	FY2023-24
Revenue from operation	25126.53	31139.09
Other Income	67.30	51.34
Total Revenue	25,193.83	31,139.09
Profit (loss) on sale of Assets/Investment	2950.24	32.69
EBITDA	38.27	2871.55
Operational EBITDA	2911.97	2838.86
PBT	592.38	611.49
PAT	349.86	398.16

During the year under review, your Company has achieved turnover of Rs. 25,193.83 lakh as against Rs. 31,139.09 lakh in the previous year, marginal decrease by 19.09% as compared to previous financial year. Despite the reduction in revenue, Earnings Before Interest, Depreciation, and Tax (EBITDA) remained robust at ₹2,911.97 lakh, marginally higher than ₹2,871.55 lakh recorded in the preceding year, reflecting an improvement in the operating margin of 1.41%. During the year under review, Profit before tax was Rs. 592.38 lakh as compared to profit of Rs. 611.49 lakh in the previous year. The Profit after tax for the financial year under review was Rs. 349.86 lakh as against Rs. 398.16 lakh for the previous year.

Outlook:

The Company expects the turnaround to sustain, accompanied by a reduction in fixed costs by improving manufacturing capacity utilisation, cash conservation and

non-core asset monetization. However the Company continues to closely monitor impending problems due to factors like inflation, and geopolitical risks, which could affect the business. The health and safety of employees, customers, suppliers and communities remain a priority. The Company is optimistic for revenue and margins growth in the medium term, strengthening business sustainability.

In the coming year, we are foreseeing increase in demand since few export customers have started shifting their orders from China to India. Indian Government also promotes the export and will provide incentive schemes for exports, which will increase the income and decrease the deficit.

Human Resource Development/Industrial Relations:

The industrial relations scenario continued to be largely positive across the manufacturing locations. Significant

emphasis was also laid towards raising awareness on health and wellness of employees through annual medical check-ups and health awareness activities.

Shahlon recognizes that its people are most valuable resources and therefore as a policy of nurturing talent and ensuring that there is growth and their capabilities grow in relation to the growth of the company. The human

resources function takes into account the capability, commitment and sincerity while evaluating talent within the company and suitable reward structure is in place to ensure maximum employee satisfaction. Regular training programs have been in place to improve the work capability at various levels in order to improve the competencies and skills.

Key Financial Ratios:

Particulars	FY 2024-25	FY 2023-24	% Change
Debtors Turnover	1.90	2.28	-16.57%
Inventory Turnover	2.64	4.17	-36.77%
Interest Coverage Ratio	1.39	1.49	-6.89 %
Current Ratio	2.02	1.45	39.85%
Debt Equity Ratio	1.26	1.29	-2.35%
Operating Profit Margin (%) *	9.02%	6.61%	36.50%
Net Profit Margin (%)	1.52%	1.32%	14.58%
details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof ##	3.31%	3.89%	-14.57%

* Inventory turnover ratio decreased due to increase in average inventory holding level even though decrease in revenue from operations.

** Current ratio is improved on account of significant reduction in trade payables.

Operating Profit Margin reflecting healthy growth in the current financial year on account of reduction in manufacturing and other expenses and the company able to recover better sale price of its products.

Return on Net worth has declined due to a decrease in Profit after tax against modest growth in Net Worth. The reduction in PAT was mainly due to decrease in revenue from operations, higher finance cost and tax outgo.

Forward Looking Statement – Cautionary Statement:

Certain matters discussed in this report may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future

performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Management Discussion and Analysis. The Company assumes no obligation to update any forward-looking information contained in this Management Discussion and Analysis. Any forward-looking statements and projections made by third parties included in this Management Discussion and Analysis are not adopted by the Company and the Company is not responsible for such third party statements and projections.

Report on Corporate Governance

[Pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations")]

(1) Company's Philosophy on the Code of Governance:

Shahlon's philosophy of undertaking business through ethical and fair means has been its foundation. The company's management firmly believes that good corporate governance should be internally driven and not to be looked upon just as an issue of compliance dictated by statutory requirements. Shahlon's philosophy on corporate governance envisages the attainment of the highest level of transparency, integrity, honesty and accountability in all facets of its operations. We consistently and periodically review our systems and policies in order to establish sound risk management and internal control systems. Rapid problem solving approach and incessant fulfillment of the expectations of shareholders, customers, suppliers, lenders and society as a whole is reflective of eminent Corporate Governance Policies at Shahlon.

(2) Board of Directors:

(a) Composition and category of directors:

The Company has formulated a Board Diversity policy to have a competent and highly professional team of Board Members. The Company has an optimum combination of Executive and Non-Executive Directors including a Woman Director. There are six Directors on the Board of the Company having diverse experience and expertise in their respective areas. The composition of the Board meets the criteria as prescribed in SEBI (LODR) Regulations, 2015, and Companies Act, 2013. As on 31st March, 2025, the composition of the Board is as under:

Sr. No.	Name of the Director with DIN	Category	No. of Directors	% to total number of Directors
1.	Mr. Shah Dhirajlal Raychand Executive Chairman (DIN: 00010480)	Executive Directors (Promoter director)	3	50.00
2.	Mr. Arvind Raichand Shah Managing Director (DIN: 00010483)			
3.	Mr. Nitin Shah Whole-Time Director (DIN: 00010487)			
4.	Mr. Rajendra Kundanlal Desai Non-Executive Independent Director (DIN: 00198139)	Non-Executive, Independent Directors (including woman)	3	50.00
5.	Mrs. Richa Manoj Goyal* Non-Executive Independent Director (DIN: 00159889)			
6.	Mr. Vaibhav Jayantbhai Mehta Non-Executive Independent Director (DIN: 08484567)			
Total				100.00

- * After the closure of the reporting FY.2024-25, Mrs. Richa Manoj Goyal, tendered her resignation; Therefore she ceased to be a director of the Company w.e.f. July 3, 2025.
- ** After the closure of the reporting FY.2024-25, Ms. Ketaki Naginbhai Patel, appointed by the Board as an additional Independent Director of the Company w.e.f. August 23, 2025.

The composition of the Board is in conformity with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (hereinafter referred to as "SEBI (LODR) Regulations") and the Companies Act, 2013 (hereinafter referred to as "the Act").

In terms of the provisions of the Act, and the Listing Regulations, the Directors of the Company submit necessary disclosures regarding the positions held by them on the Board and/ or the Committees of other companies with changes therein, if any, on a periodical basis. Based on such disclosures, it is confirmed that as on March 31, 2025, none of the Directors on the Board holds a Directorship position in more than twenty (20) companies [including ten (10) public limited companies and seven (7) listed companies]; holds Executive Director position and serves as an Independent Director in more than three (3) listed companies; and is a member of more than ten (10) Committees (Audit Committee and the Stakeholders Relationship Committee) and/or Chairperson of more than five (5) Committees (Audit Committee and the Stakeholders Relationship Committee) across all the Indian Public Limited Companies in which he/ she is a Director pursuant to Regulation 26 of the Listing Regulations.

Mr. Rajendra Kundanlal Desai, a Non-Executive - Independent Director of the Company, shall attain the age of Seventy-five (75) years in Financial Year 2025-26; In compliance with the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements), approval of shareholders by way of special resolution for continuation of his directorship even after attaining the age of 75 years has been taken at 15th Annual General Meeting of the Company held on September 29, 2023.

Mr. Shah Dhirajlal Raychand, an Executive Chairman of the Company, has attained the age of 70 Years in Financial Year 2024-25; In compliance with the provisions of Section 196(3) of Companies Act, 2013, approval of shareholders by way of special resolution for continuation of his directorship even after attaining the age of 70 years has been taken at 15th Annual General Meeting of the Company held on September 29, 2023. Further, based on the recommendation of Nomination and Remuneration Committee, the Board recommends the re-appointment of Mr. Shah Dhirajlal Raychand, an Executive Chairman of the Company for the further period of 3 Years commencing from October 1, 2025 till September 30, 2028, the approval is sought by way of Special Resolution at ensuing General Meeting since he has already attained the Age of 70 Years.

Based on the recommendation of Nomination and Remuneration Committee, the Board recommends the re-appointment of Mr. Arvind Raichnd Shah, Managing Director of the Company, for the further period of 3 Years commencing from October 1, 2025 till September 30, 2028, during this tenure he shall attain the age of 70 years; therefore, the approval Section 196(3) of Companies Act, 2013, for continuation of his directorship even after attaining the age of 70 years is sought by way of Special Resolution at ensuing General Meeting.

(b) Attendance of each director at the meeting of the board of directors and the last annual general meeting and number of other board of directors or committees in which a directors is a member or chairperson

During the year under review, 5 (Five) Board Meetings were held, the dates being; April 17, 2024, May 27, 2024, August 12, 2024, October 29, 2024 and February 12, 2025.

The composition of the Board, attendance at the Board Meetings during the year ended on March 31, 2025, and the last Annual General Meeting, and also the number of other Directorships and Committee Memberships are given below:

Sr. No.	Name of the Director	Category	No. of Board Meetings attended during 2024-25		Whether attended AGM held on 30th Sep., 2024	No. of Directorship in listed entities including this company as on 31-03-25		No. of Committee positions held in public limited companies* including this company as on 31-03-25	
			held	attended		Members	Chairman	Memberships	Chairman-ships
1.	Mr. Shah Dhirajlal Raychand (DIN: 00010480)	Executive Chairman (Promoter Director)	5	5	YES	1	1	2	Nil
2.	Mr. Arvind Raichand Shah (DIN: 00010483)	Managing Director/ (Promoter Director)	5	5	YES	1	Nil	1	Nil
3.	Mr. Nitin Shah (DIN: 00010487)	Whole-time Director (Promoter Director)	5	4	YES	1	Nil	Nil	Nil
4.	Shri. Rajendra K. Desai (DIN: 00198139)	Non-Executive (Independent Director)	5	5	YES	2	Nil	4	4
5.	Smt. Richa M. Goyal** (DIN: 00159889)	Non-Executive (Independent Women Director)	5	4	NO	6	Nil	9	4
6.	Shri. Vaibhav J. Mehta (DIN: 08484567)	Non-Executive (Independent Director)	5	5	YES	1	Nil	1	Nil

* Includes only Audit Committee and Stakeholders Relationship Committee of public companies as per Regulation 26(1) of SEBI (LODR) Regulations.

** After the closure of the reporting FY.2024-25, Mrs. Richa Manoj Goyal, tendered her resignation; Therefore she ceased to be a director and member of the Audit Committee of the Company w.e.f. July 3, 2025.

*** After the closure of the reporting FY.2024-25, Ms. Ketaki Naginbhai Patel, appointed by the Board as an additional Independent Director of the Company w.e.f August 23, 2025.

Names of the listed entities where the person is a director and the category of directorship

Details of name of other listed entities where Directors of the Company are Directors and the category of Directorship as on March 31, 2025 are as under:

Name of the Director	Name of other Listed entities in which the concerned Director is a Director	Category of Directorship
Mr. Rajendra Kundanlal Desai (DIN: 00198139)	K.P. Energy Limited	Non-Executive - Independent Director
Mrs. Richa Manoj Goyal* (DIN: 00159889)	Acutaas Chemicals Limited (Formerly known as Ami Organics Limited)	Non-Executive - Independent Director
	Waaree Energies Limited	Non-Executive - Independent Director
	Bikaji Foods International Limited	Non-Executive - Independent Director
	Baazar Style Retail Limited	Non-Executive - Independent Director
	Skipper Limited	Non-Executive - Independent Director

- * After the closure of the reporting FY.2024-25, Mrs. Richa Manoj Goyal, tendered her resignation; therefore she ceased to be a director of the Company w.e.f. July 3, 2025

(c) Number of meetings of the board of directors held and dates on which held;

During the Financial year 2024-25, 5 (Five) Board Meetings were held, the dates are as follows

Sr. No.	Board Meeting No.	Date of Board meeting
1.	01/2024-25	April 17, 2024
2.	02/2024-25	May 27, 2024
3.	03/2024-25	August 12, 2024
4.	04/2024-25	October 29, 2024
5.	05/2024-25	February 12, 2025

(d) disclosure of relationships between directors inter-se;

None of the Directors of the Company are related to each other except Mr. Shah Dhirajlal Raychand, Mr. Arvind Raichand Shah and Mr. Nitin Shah,

Promoter Directors who are kin brothers hence related to each other.

(e) Number of shares and convertible instruments held by non-executive directors;

➤ **Number of shares held by non-executive directors:**

Name of Directors	No. of shares held as on March 31, 2025
Shri. Rajendra K. Desai (DIN: 00198139)	7335

➤ **Number of convertible instruments held by non-executive directors:**

Company has not issued any convertible instruments.

etc., and the details of the familiarisation program are available on the website of the Company at <https://www.shahlon.com/reports/disclosure/Familiarize-Program-for-ID.pdf>.

(f) Web link where details of familiarisation programmes imparted to independent directors is disclosed.

The Company familiarises its Independent Directors with regard to their role, rights, responsibilities in the Company, nature of the industry, the business models of the Company,

(g) Matrix setting out the skills/expertise /competence of the Board:

The Board of Directors of the Company possesses the requisite skills/expertise/ competencies in the context of its businesses to function effectively. The core skills/expertise/ competencies that are available with the Directors are as under:

Name of the Director	(Skills/Expertise/Competencies)
Mr. Shah Dhirajlal Raychand (DIN: 00010480)	Business Strategy, Planning, Corporate Management, Discharge of Corporate Social Responsibility, Accounting and Financial Skills
Mr. Arvind Raichand. Shah (DIN: 00010483)	Production, Marketing, Risk Management
Mr. Nitin Shah (DIN: 00010487)	Production, Marketing, Risk Management
Shri. Rajendra K. Desai (DIN: 00198139)	Accounting and Financial Skills
Smt. Richa M. Goyal** (DIN: 00159889)	Legal, Accounting, Financial Skills and Risk Management
Shri. Vaibhav J. Mehta (DIN: 08484567)	Production, Technical Skills

The Board of Directors have identified the following Core Skills/ Expertise/Competencies as required in the context of its business(es) and sector(s) for it to function effectively

Skills/ Expertise/ Competencies identified by the Board	Mr. Dhirajlal R. Shah	Mr. Arvind R. Shah	Mr. Nitin R. Shah	Mr. Rajendra K. Desai	Mrs. Richa M. Goyal	Mr. Vaibhav J. Mehta
Leadership experience of running large enterprise. Experience of leading operations of large organizations with deep understanding of complex business processes, regulatory and governance environment, risk management and ability to visualize and manage change.	✓	✓	✓			
Business Strategies and innovations. Expertise in developing and implementing strategies for sustainable and profitable growth of the Company in various segments	✓	✓	✓	✓	✓	✓
Understanding of Consumer behavior in diverse environments and conditions pertaining to core business areas of Company viz. Textile.	✓	✓	✓	✓	✓	✓
Understanding of the changing legal and regulatory landscape of the Country from time to time.	✓	✓	✓	✓	✓	
Financial Management and Accounting. Expertise in understanding and management of complex financial functions and processes of large organisations, deep knowledge of accounting, finance and treasury for financial health of the Company.	✓	✓	✓	✓	✓	

Skills/ Expertise/ Competencies identified by the Board	Mr. Dhirajlal R. Shah	Mr. Arvind R. Shah	Mr. Nitin R. Shah	Mr. Rajendra K. Desai	Mrs. Richa M. Goyal	Mr. Vaibhav J. Mehta
Knowledge and expertise of Trade and Economic Policies Possessing knowledge and expertise of various trade and economic policies, ability to analyse their impact on the business of the Company and devise revised strategies.	✓	✓	✓	✓	✓	
Governance and Regulatory requirements of large Companies. Knowledge and experience in regulatory and governance requirements and ability to identify key risks affecting the governance of the Company	✓	✓	✓	✓	✓	

(h) Independence of Directors and confirmation by the Board:

Company's definition of 'Independence' of Directors is derived from Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations / disclosures received from the Directors the Board confirms, that the Independent Directors fulfill the conditions as specified under SEBI (LODR) Regulations and are independent of the management.

(I) Detailed reasons for the resignation of an independent director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided.

During the year under review, no director resigned before the expiry of their term from the post of an Independent Director of the Company.

However, after the closure of the reporting FY.2024-25, Mrs. Richa Manoj Goyal, tendered her

resignation w.e.f. July 3, 2025 from the post of the Independent Director stating the reason as "due to pre-occupation and other various commitment". Further, she also confirmed that there are no other material reasons other than those provided in her resignation letter dated July 2, 2025, which was received by the Company on July 3, 2025.

(3) BOARD COMMITTEE

I. Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Act read with the rules made thereunder and Regulation 18 read with Part C of Schedule II of SEBI (LODR) Regulations. The Committee comprises of members who possess financial and accounting expertise/exposure.

During the year under review, 4 (Four) Meetings of the Audit Committee were held, the dates being May 27, 2024, August 12, 2024, October 29, 2024 and February 12, 2025.

The Composition of the Audit Committee and details of attendance of the members at the committee meeting during the F.Y. 2024-25, is given below:

Name of Directors	Category	Position	No. of Meetings entitled to attend	No. of Meetings Attended
Mr. Rajendra K. Desai	Non-Executive (Independent Directors)	Chairman	4	4
Mrs. Richa M. Goyal*	Non-Executive (Independent Women Director)	Member	4	4
Mr. Dhirajlal R. Shah	Executive Chairman (Promoter Director)	Member	4	4
Mr. Vaibhav J. Mehta**	Non-Executive (Independent Directors)	Member	0	0

* After the closure of the reporting FY.2024-25, Mrs. Richa Manoj Goyal, tendered her resignation; Therefore she ceased to be a director and member of the Audit Committee of the Company w.e.f. July 3, 2025.

** Mr. Vaibhav J. Mehta, a Non-Executive Independent Director of the Company was appointed as a member of the Audit Committee w.e.f. February 12, 2025.

*** After the closure of the reporting FY.2024-25, Ms. Ketaki Naginbhai Patel, appointed by the Board as an additional Independent Director of the Company and was also appointed as member of Audit committee w.e.f. August 23, 2025.

The Managing Director, Chief Financial Officer, Internal Auditors, Cost Auditors, Statutory Auditors and other senior executives of the Company attend the Audit Committee Meetings as invitees, as and when required. The Company Secretary acts as the Secretary to the Audit Committee.

There has been no instance, where the Board has not accepted any recommendation of the Audit Committee.

The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under SEBI (LODR) Regulations as well as in Section 177 of the Companies Act, 2013.

ii. Nomination and Remuneration Committee ("NRC"):

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI (LODR) Regulations. Apart from the above, the Committee also carries out such functions/responsibilities entrusted on it by the Board of Directors from time to time.

During the year under review, 1 (One) Meeting of the Nomination and Remuneration Committee was held on February 12, 2025 and all members of the committee were attended the meeting.

The Composition of the NRC Committee and details of attendance of the members at the committee meeting during the F.Y. 2024-25, is given below:

Name of Directors	Category	Position	No. of Meetings entitled to attend	No. of Meetings Attended
Mr. Rajendra K. Desai	Non-Executive (Independent Director)	Chairman	1	1
Mrs. Richa M. Goyal*	Non-Executive (Independent Director)	Member	1	1
Mr. Dhirajlal R. Shah	Executive Chairman (Promoter Director)	Member	1	1
Mr. Vaibhav J. Mehta	Non-Executive (Independent Director)	Member	1	1

* After the closure of the reporting FY.2024-25, Mrs. Richa Manoj Goyal, tendered her resignation; Therefore she ceased to be a director and member of the Nomination and Remuneration Committee of the Company w.e.f. July 3, 2025.

** After the closure of the reporting FY.2024-25, Ms. Ketaki Naginbhai Patel, appointed by the Board as an additional Independent Director of the Company and was also appointed as member of Nomination and Remuneration Committee w.e.f. August 23, 2025.

The Company Secretary is also Secretary to the Nomination and Remuneration Committee.

The broad terms of reference of the NRC includes:

- Setup and composition of the Board, its Committees, and Senior Management / Executive team of the Company including Key Managerial Personnel ("KMP" as defined under the Act).
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors, their appointment and removal. Senior Management shall have the same meaning as defined in the SEBI (LODR) Regulations.
- Evaluation of performance of the Board, its Committees and individual Directors.
- Remuneration to Directors, KMPs, Senior Management/ executive team and other employees.
- Oversight of the familiarisation programme of Directors.

- Oversight of the Human Resource ("HR") philosophy, HR and People strategy and key HR practices.

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 read with the rules made thereunder, SEBI (LODR) Regulations and Guidance Note on Board Evaluation issued by SEBI vide its Circular dated 5th January, 2017, the Board of Directors ("Board") has carried out an annual evaluation of its own performance and that of its Committees and individual Directors.

The Nomination and Remuneration Committee ("NRC") shall carry out the evaluation of performance of every Director. The evaluation of performance of the Independent Directors (IDs) shall also be carried out by the entire Board of Directors excluding the Director being evaluated in the same way as it is for the Executive Directors of the Company except the Director getting evaluated. Evaluation performance should be carried out at least once in a year.

iii. Stakeholder's Relationship Committee ("SRC"):

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Act and Regulation 20 read with Part D of Schedule II of SEBI (LODR) Regulations.

During the year under review, 1 Meeting of the Stakeholder's Relationship Committee was held on February 12, 2025.

The Composition of the SRC and details of attendance of the members at the committee meeting during the F.Y. 2024-25, is given below:

Name of Directors	Category	Position	No. of Meetings entitled to attend	No. of Meetings Attended
Mr. Rajendra K. Desai	Non-Executive (Independent Director)	Chairman	1	1
Mr. Arvind R. Shah	Managing Director (Promoter Director)	Member	1	1
Mr. Dhirajlal R. Shah	Executive Chairman (Promoter Director)	Member	1	1

Mr. Hitesh K. Garmora, Company Secretary of the company has been designated as the Compliance Officer.

Shareholders' Complaints:

No. of shareholders' complaints received during the year:	4
No. of complaints not resolved to the satisfaction of shareholders:	Nil
No. of pending complaints:	Nil

iv. Corporate Social Responsibility ("CSR") Committee:

The CSR Committee comprise of three (3) members including one Independent Director.

The powers, role and terms of reference of CSR Committee covers the areas contemplated under Section 135 of the Companies Act, 2013.

The CSR Committee of the Company was constituted on August 12, 2024.

During the year under review, 1 Meeting of the CSR Committee was held on February 12, 2025.

The Composition of the CSR Committee and details of attendance of the members at the committee meeting during the F.Y. 2024-25, is given below:

Name of Directors	Category	Position	No. of Meetings entitled to attend	No. of Meetings Attended
Mr. Dhirajlal R. Shah	Executive Chairman (Promoter Director)	Chairman	1	1
Mr. Arvind R. Shah	Managing Director (Promoter Director)	Member	1	1
Mr. Rajendra K. Desai	Non-Executive (Independent Director)	Member	1	1

(4) Separate Meeting of Independent Directors:

The Separate meeting of the Independent Directors of the Company was held on February 12, 2025. Inter-alia to discuss;

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- Assessed the quality, quantity, and timeliness of the flow of information between the Company

Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors attended the Meeting.

(5) Senior Management

Following Officers and Personnel of the Company who are the members of the core management team excluding BOD but specifically include Company Secretary and CFO.

Particulars of senior management including the changes therein since the close of the previous financial year.

Sr No.	Name	Position	Changes during the Year
1.	Jayantilal Raichand Shah	Head - Accounts & Legal	-
2.	Mahendra Raichand Shah	Gen. Manager (Operation)	-
3.	Dipan Jayantilal Shah	Gen. Manager – Marketing	-
4.	Dhruv Arvind Shah	Mktg. Executive – Export	-
5.	Hitesh Kantilal Garmora	V.P. Fin. & Comp. Secretary	-
6.	Satish Hargovinddas Shah	Chief Financial Officer	-
7.	Gopal Naranbhai Ranparia	Manager - EDP	-
8.	Jaykant Govindbhai Sabhaya	Chief Manager – HR & Admin	-
9.	Omdatt Laxminarayan Sharma	General Manager	-
10.	Jagdish Govindprasad Shah	General Manager	-
11.	Nagda Nilesh Manilal	Commercial Manager	-

(6) Remuneration of Directors:

Payment of remuneration to the Executive Chairman, Managing Director and Whole-time Director is governed by the Agreement executed between them and the Company. Their Agreements are approved by the Board and by the shareholders. Their remuneration structure comprises salary, other benefits includes contribution to provident fund, gratuity etc.

The company has no pecuniary relationship or transaction with its non-executive Directors other than payment of sitting fees to them for attending the Board

meeting and Committee meeting as may be determined by the Board from time to time.

The Company has adopted the Remuneration Policy as required under the provisions of the Act and Regulation 19 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015. The remuneration policy of the company is directed towards rewarding performance.

No sitting fees are paid to Executive Directors. The Company has no stock option scheme. Further no commission is paid to any of the Directors.

(I) Details of remuneration paid to Executive Directors during the financial year 2024-25 are given below: -

(₹ in Lakhs)

Name	Salary
Mr. Dhirajlal R. Shah, Executive Chairman	54.22
Mr. Arvind R. Shah, Managing Director	54.22
Mr. Nitin R. Shah, Whole-time Director	54.22

Note:

The Agreements with the Executive Chairman, Managing Director and Whole-time Director are for a period of three years (01/10/2022 to 30/09/2025) approved by the shareholders at the 14th Annual General Meeting of the Company held on 30th September, 2022.

- (ii) Details of payments made to Non-Executive Directors during the financial year 2024-25 and the number of shares held by them are given below:

Name of Directors	Sitting Fees** (Rs. in Lakhs)	Total No. of Shares held in the Company as on 31st March, 2025
Mr. Rajendra K. Desai	1.30	7,335
Ms. Richa M. Goyal	1.20	-
Mr. Vaibhav J. Mehta	0.70	-

** Includes sitting fees paid for Board and Committee Meetings.

Criteria of making payments to Non- Executive Directors:

Criteria of making payments to Non-Executive Directors is available at website of the Company i.e. www.shahlon.com

(7) General Body Meeting:

- a) Location and time where last three Annual general Meetings (AGM) were held.

Annual general Meetings:

Meeting No.	Date & Time	Location	Special Resolutions Passed
16th AGM	30.09.2024 at 11.00 a.m.	Through Video Conference	Nil
15th AGM	29.09.2023 at 11.00 a.m.	Through Video Conference	I. Continuation of the appointment Of Shri Dhirajlal Raychand Shah as an Executive Chairman of the Company on attaining age of 70 years. II. Re-Appointment of Shri Rajendra Kundanlal Desai as an Independent Director of the Company. III. Re-Appointment of Smt. Richa Manoj Goyal as an Independent Director of the Company. IV. Re-Appointment of Shri. Vaibhav Jayantbhai Mehta as an Independent Director of the Company.
14th AGM	30.09.2022 at 11.00 a.m.	Through Video Conference	I. Re-appointment of Shri Nitin R. Shah as a Whole-time Director. II. Re-appointment of Shri Arvind R. Shah as a Managing Director. III. Re-appointment of Shri Dhirajlal R. Shah as an Executive Chairman.

b) Extra-ordinary General Meeting:

The Extra Ordinary General Meetings held during the financial year 2024-25: NIL

c) Whether any Special Resolutions were passed last year through postal ballot:

During the year under review, no resolutions were passed through Postal Ballot process.

Further, no special resolution is proposed to be passed through postal ballot as on the date of this report.

(8) Means of Communication:

The Annual Report containing, inter alia, Audited Financial Statement, Board's Report including Management Discussion and Analysis Report, Auditors' Report and other important information is circulated to the members and others entitled thereto. Corporate Governance Report forms part of the Annual Report. The Annual Report is also available in downloadable form on the website of the Company at <https://www.shahlon.com/annual-reports.php>. Shareholders' grievances/complaints Redressal division's E-mail ID is: companysecretary@cs.shahlon.com

(a) Quarterly results; -

Quarterly, half-yearly and yearly financial results of the Company are published as per the requirements of Regulation 33 & 47 of the SEBI Listing Regulations, 2015 in leading newspapers.

(b) Newspapers wherein results normally published; - Financial Express (Mum. Edition) & Gujarat Guardian (Sur. Edition)

(c) Any website, where displayed;

The financial results, press releases and other reports/intimations required under the SEBI (LODR) Regulations, 2015 are filed electronically with BSE Limited (BSE) and also uploaded on the Company's website- www.shahlon.com.

(d) Whether it also displays official news releases;- Yes, official news releases are displayed on the website.

(e) Presentations made to institutional investors or to the analysts - During the financial year under review, no presentations were made to analysts/ institutional investors.

(9) General Shareholder Information:

(a) Annual General Meeting: Date, Time and Venue:

To be held on **September 30, 2025**, 11:00 A.M.

through Video Conferencing (VC)/Other Audio Visual Means (OAVM) and the venue shall be deemed to be the Registered Office of the Company at Plot no. 5, C.S. Nondh No. 451/A, R.S. No. 33/1 paiki, Nr. Narendra Dyeing Mill, B/h. Old Sub-Jail, Khatodara, Ring Road, Surat, Gujarat, 395002

(b) Financial Year:

The financial year of the Company starts from 1st April every year and ends on 31st March of subsequent year.

(c) Dividend payment Date:

The final dividend for the FY 2024-25, if approved by the members, will be paid/credited within 30 days from the date of such approval.

(d) Listing on stock exchange:

Currently, the Company's equity shares are listed on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400 001. Annual Listing Fees for the year 2024-25 have been paid to BSE Limited.

(e) Stock Code:

Bombay Stock Exchange Limited, Mumbai (BSE) : Scrip Code - 542862

ISIN No. in NSDL & CDSL for the Listed Equity Shares : INE052001026

(f) Suspension from trading:

No Security of the Company has been suspended from trading on the stock exchange where the securities are listed.

(g) Registrar and Share Transfer Agent:

BIGSHARE SERVICES PVT. LTD.

A/802, Samudra Complex, Near Klassic Gold Hotel, Girish Cold Drinks, Off C.G Road, Navrangpura, Ahmedabad, Gujarat, 380009.

Tel No.: +91-79-40392571

Email: bssahd@bigshareonline.com

Website : www.bigshareonline.com

(h) Share Transfer System:

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 01, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer

them and participate in various corporate actions.

Further, Bigshare Services Private Limited is the Common R&T Agent for both physical and dematerialised mode. All queries and requests relating to share transfers/transmissions may be addressed to our Registrar and Transfer Agent.

(i) Distribution of Shareholding:

Distribution of shareholding as on March 31, 2025:

Shareholding Nominal Value Range (in Rs.)	Number of shareholders	%	Total Shares for the Range	% of Issued Capital
1-5000	5291	90.8638	4083908	2.29
5001-10000	192	3.2973	1410024	0.79
10001-20000	114	1.9578	1664560	0.93
20001-30000	33	0.5667	822650	0.46
30001-40000	28	0.4809	1010764	0.57
40001-50000	20	0.3435	928736	0.52
50001-100000	35	0.6011	2365562	1.32
>100000	110	1.8891	166318696	93.12
Total	5823	100	178604900	100

(j) Dematerialization of shares and liquidity:

98.87% of the outstanding Equity Shares have been dematerialized up to March 31, 2025. All shares held by Promoters/Promoter Group of the Company are in dematerialized form. Trading in Equity Shares of the Company on the stock exchanges is permitted only in dematerialized form.

of its products, wide spread customer base, good market reputation and quality of the products, the company is in a position to pass on increase if any in cost to their customers. Based on market intelligence and continuous monitoring, the procurement team is advised on appropriate strategy to deal with such market volatility.

(k) Outstanding GDR/ADR/Warrants or any convertible instruments:

The company has not issued any GDR/ADR/Warrants or any convertible instruments till date.

The company is having major export transactions and having only meager import transactions. Company is hedging its foreign exchange risk by availing packing credit in foreign currency from its bankers.

(l) Commodity price risk or foreign exchange risk and hedging activities:

The basic raw material for manufacturing company's product is POY, FDY, PFY etc. Fluctuating prices of raw material is a big concern for the industry which may strain the profitability margins.

The company is a Marketing agent of Reliance Industries Limited for yarn products and supplying yarn to various big players in the market. The company has established network for marketing

(m) Plant Locations:

- Block No. 602 & 609, (Old Block No. 692/A & 715), Plot No. Composite Unit-2, 3, 4, 5/A and 15, Fairdeal Textile Park, Village: Mahuvej, Taluka: Mangrol, Dist.: Surat, Gujarat.
- Block No.: 297, Plot no. 1A,1B, 2A, 5A, 2B ,3A, 3B, 3C, 3D, Block No. 298, Plot no. 1, 2, 3A, 3B, 4A & 4B, Limodra Patiya, Village: Karanj, Taluka: Mandvi, Dist.: Surat,
- Block No.104 [Old Block No.141], Block No.103 [Old Block No.146], AND Block No.97 [Old Block No.149], Kim Char Rasta, Village:

Mota Borsara, Taluka: Mangrol, Dist: Surat, Gujarat.

(n) Address for investor correspondence:

For share transfer / dematerialisation of shares / other queries relating to shares:

Contact

M/s BIGSHARE SERVICES PVT. LTD.

A/802, Samudra Complex, Near Klassic Gold Hotel, Girish Cold Drinks, Off C.G Road, Navrangpura, Ahmedabad, Gujarat, 380009.

Tel No.: +91-79-40392571

Email : bssahd@bigshareonline.com

Website : www.bigshareonline.com

For any queries on payment of Dividend/Annual Report or investors' assistance Contact:

The Company Secretary,

Shahlon Silk Industries Limited

Plot no. 5, C.S. Nondh No. 451/A, R.S. No. 33/1 paiki, Nr. Narendra Dyeing Mill, B/h. Old Sub-Jail, Khatodara, Ring Road, Surat, Gujarat, 395002.

Phone No.: (0261) 3603200

E-mail: companysecretary@cs.shahlon.com

(o) List of all credit ratings obtained by the Company for financial facilities:

	credit rating by CRISIL Ratings vide its letter dated October 4, 2024
Long-Term Rating :	CRISIL B/Stable (Upgraded from 'CRISIL D')
Short-Term Rating :	CRISIL A4 (Upgraded from 'CRISIL D')

(10) Other Disclosures:

- (a) All related party transactions have been entered into in the ordinary course of business and were placed periodically before the audit committee in summary form including transactions for which omnibus approval of the Audit Committee was taken. There were no material individual transactions with related parties which were not in the normal course of business, required to be placed before the audit committee and that may

have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length basis. Transactions with related parties as per requirements of IND AS 24 - 'Related Party Disclosures' are disclosed in Note 28 to the Financial Statements.

- (b) The following is the details of non-compliance by the company for which penalties imposed by BSE Limited;

Sr. No.	01
Financial Year	2022-23
Actions taken by	BSE Limited
Details of violation	Non-compliance of Regulation 33(3)(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 The company has submitted quarterly financial results for the quarter ended 30.09.2022 on 15.11.2022; due date to file the same was 14.11.2022. The company has delayed filed for 01 (One) day.
Details of action taken E.g. fines, warning letter, debarment, etc.	Imposed Penalty of Rs. 5000 plus Rs. 900 GST (Total Rs. 5900/-)
Observations/remarks of the Practicing Company Secretary, if any.	The entity has submitted quarterly financial results for the quarter ended 30.09.2022 on 15.11.2022; due date to file the same was 14.11.2022. The entity has delayed filed for 01 (One) day.

Except above there were no other instances of non-compliance, penalties, strictures imposed on the company by stock exchange(s) or the SEBI or any statutory authority, on any matters related to the capital markets, during last three years.

- (c) The Company has established a vigil mechanism/whistle blower policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud etc. and the same has been disclosed on the website of the Company. Further no personnel have been denied access to the Audit Committee.

(d) (I) COMPLIANCE WITH MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (LODR) Regulations.

(I) NON - MANDATORY / DISCRETIONARY REQUIREMENTS

• **Unqualified Financial Statements**

There are no qualifications in the Auditor's Report on the accounts for the financial year 2024-25.

• **Separate posts of chairperson and chief executive officer**

The Company has a Managing Director, Whole-time Director in addition to the Executive Chairman of the Board.

• **Reporting of Internal Auditor**

Reports of Internal Auditors are placed before the Audit Committee for its review.

• **The Board**

The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairperson is not applicable to the Company, since the Chairperson of the Company is an Executive Director.

- (e) **Web-links for policy for determining 'Material subsidiary' - N.A.**

- (f) **Web-links for policy on dealing with related party transactions - <https://www.shahlon.com/>**

[reports/disclosure/RPT_Policy.pdf](#)

- (g) **Disclosure of commodity price risks and commodity hedging activities:** Please refer (I) of point no. 9 as mentioned above.

- (h) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) - N.A.**

- (i) **Certificate from Practicing Company Secretary:**

The Company has obtained a certificate OF NON-DISQUALIFICATION OF DIRECTORS [Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] from Bhairav H. Shukla, Practicing Company Secretary, Membership no. F6212 and CP No. 5820, that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority attached herewith as per 'Annexure - A'.

- (j) **Recommendation of any committee of the board which is mandatorily required:**

Any recommendations given by the committees of the Board are required to be placed before the Board. The Board has accepted all the recommendations by various committees of the Board during the financial year March 31, 2025. There is no instance where the recommendation of any of the committee of the Board has not been accepted by the Board during the year.

- (k) **Fees paid to Statutory Auditors**

Company has paid/to be paid aggregate fees of Rs. 7.80 lakhs to Statutory Auditors for all services.

- (l) **Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at

Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder and same is posted on the website of the Company and can be accessed at <https://www.shahlon.com/reports/disclosure/Sexual%20Harassment%20Policy.pdf>.

The status of complaints received during the year is as follows;

- a) number of complaints filed during the financial year - Nil
- b) number of complaints disposed of during the financial year - Nil
- c) number of complaints pending as on end of the financial year - Nil

(m) During the FY 2024-25, the Company has not given any 'Loans and Advances' in the nature of loan to Firms/ Companies in which Directors are interested.

(n) The Company does not have material subsidiary Companies as on reporting date. Hence, the said disclosure is not applicable.

(11) Non-Compliance

There is no non-compliance of any of the requirements of corporate governance report of sub paras (2) to (10) above.

(12) Discretionary Requirements

Please refer (d) (ii) of point no.10 as mentioned above.

(13) Disclosures of the compliance with corporate governance requirements

Please refer (d) (i) of point no.10 as mentioned above.

(14) Declaration by Managing Director

Declaration by Managing Director pursuant to schedule V (Part D) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015 regarding compliance with Code of Conduct is attached herewith as per '**Annexure - B**'.

(15) Compliance certificate from practicing company secretaries regarding compliance of conditions of corporate governance is attached herewith as per '**Annexure - C**'.

(16) Disclosures with respect to demat suspense account/ unclaimed suspense account

- (a)** aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; - Nil
- (b)** number of shareholders who approached listed entity for transfer of shares from suspense account during the year; - Nil
- (c)** number of shareholders to whom shares were transferred from suspense account during the year; - Nil
- (d)** aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; - Nil
- (e)** that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares; - Nil

(17) Shri Arvind R. Shah, Managing Director and Shri. Satish H. Shah, Chief Financial Officer, have certified to the Board in accordance with Regulation 17(8) of SEBI (Listing Obligations and Disclosures) Regulations, pertaining to CEO/CFO certification for the financial year ended March 31, 2025 is attached herewith as per '**Annexure - D**'.

For and on behalf of the Board of Directors
M/s Shahlon Silk Industries Limited

Dhirajlal Raychand Shah
Executive Chairman
(DIN: 00010480)

Place : Surat
Date : 30.08.2025

ANNEXURE - A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members,

SHAHLON SILK INDUSTRIES LIMITED

CIN - L17120GJ2008PLC053464

Plot no. 5, C.S. Nondh No. 451/A, R.S. No. 33/1 paiki, Nr. Narendra Dyeing Mill,

B/h. Old Sub-Jail, Khatodara, Ring Road, Surat, Gujarat, 395002

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SHAHLON SILK INDUSTRIES LIMITED having CIN L17120GJ2008PLC053464** and having registered office at Plot No. 5, C.S. Nondh No. 451/A, R.S. No. 33/1 paiki, Nr. Narendra Dyeing Mill, B/h. Old Sub-Jail, Khatodara, Ring Road, Surat-395002, Gujarat, India, 395002. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2025, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Directors	Designation	DIN	Date of Appointment In Company
1	Mr. Dhirajlal Raychand Shah	Director	00010480	03.09.2018
2	Mr. Arvind Raichand Shah	Managing Director	00010483	03.09.2018
3	Mr. Nitin Raichand Shah	Wholetime Director	00010487	03.09.2018
4	* Ms. Richa Manoj Goyal	Director	00159889	03.09.2018
5	Mr. Rajendra Kundanlal Desai	Director	00198139	03.09.2018
6	Mr. Vaibhav Jayantbhai Mehta	Director	08484567	17.06.2019

*Note:- After the closure of the reporting FY.2024-25 following changes made in the Directorship of the Company:

- Ms. RICHAMANOJ GOYAL (DIN 00159889) has resigned from the directorship w.e.f. 03.07.2025.
- Ms. KETAKI NAGINBHAI PATEL, appointed as an additional Independent Director of the Company w.e.f. 23.08.2025.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature

BHAIRAV H SHUKLA

M.NO. F6212

CP NO. 5820

UDIN : F006212G001083013

Peer Review Certificate No. 1015/2020

Place : Surat

Date : 26.08.2025

ANNEXURE - B

DECLARATION BY MANAGING DIRECTOR

(PURSUANT TO SCHEDULE V (PART D) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 REGARDING COMPLIANCE WITH CODE OF CONDUCT)

I, Arvind Raichand Shah, (DIN 00010483), Managing Director of Shahlon Silk Industries Limited, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as applicable to them, for the Financial Year ended March 31, 2025.

**For and on behalf of the Board of Directors of
Shahlon Silk Industries Limited**

**Arvind Raichand Shah
Managing Director
(DIN 00010483)**

Place : Surat

Date : 27-05-2025

ANNEXURE - C

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

SHAHLON SILK INDUSTRIES LIMITED

CIN: L17120GJ2008PLC053464

Plot no. 5, C.S. Nondh No. 451/A, R.S. No. 33/1 paiki, Nr. Narendra Dyeing Mill,

B/h. Old Sub-Jail, Khatodara, Ring Road, Surat, Gujarat, 395002

I have examined the compliance of the conditions of Corporate Governance by **SHAHLON SILK INDUSTRIES LIMITED [CIN-L17120GJ2008PLC053464]** ('the Company') for the year ended on **March 31, 2025**, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate

Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on **March 31, 2025**.

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

Signature

BHAIRAV H SHUKLA

M.NO. F6212

CP NO. 5820

UDIN : F006212G001082881

Peer Review Certificate No. 1015/2020

Place : Surat

Date : 26.08.2025

ANNEXURE - D

CEO and CFO certification for FY ended March 31, 2025

**(Pursuant to Regulation 17(8) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

The Board of Directors

SHAHLON SILK INDUSTRIES LIMITED

CIN: L17120GJ2008PLC053464

REGISTERED OFFICE: Plot no. 5, C.S. Nondh No. 451/A, R.S. No. 33/1 paiki, Nr. Narendra Dyeing Mill,
B/h. Old Sub-Jail, Khatodara, Ring Road, Surat, Gujarat, 395002

We, Arvind R. Shah, Managing Director and Satishkumar H. Shah, Chief Financial Officer, of Shahlon Silk Industries Limited ("the Company"), hereby certify to the Board that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2025 and that to the best of our knowledge and belief:
 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
 - 1) Significant changes in internal control over financial reporting during the year;
 - 2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- e. We affirm that we have not denied any personnel access to the Audit Committee of the Company.
- f. We further declare that all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year.

For and on behalf of the Board of Directors of
Shahlon Silk Industries Limited

Place : Surat

Date: 27/05/2025

(Arvind R. Shah)
Managing Director
(DIN: 00010483)

(Satish H. Shah)
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO,

THE MEMBERS OF,

SHAHLON SILK INDUSTRIES LIMITED

Report on the Audit of the Financial Statement

1. Opinion

We have audited the accompanying financial statements of **SHAHLON SILK INDUSTRIES LIMITED ("the Company")** which comprises the Balance Sheet as on **31st March, 2025**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as on **31st March, 2025**, and its **Profit** (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India ("ICAI") and specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the 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 Code of Ethics. We

believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In the audit of the current period, we do not have observed any key audit matters required to be reported separately.

4. Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's 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.

5. Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the

Act, read with rule 7 of companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rules 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

6. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether

due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

7. 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 to the extent applicable, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 & 4 of the order.
2. As required by section 143(3) of the Act based on our audit of financial statement, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standard) Rules, 2015, as amended.
- e) On the basis of written representations received from the directors as on **31st March, 2025** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2025** from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control with reference to the financial statements
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Point No. II (O) in notes to accounts regarding Contingent liabilities to the financial statements.

- ii. The company did not have any long-term contracts including derivative contracts for which they were any material foreseeable losses under the applicable law or accounting standards.
- iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the company.
- iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note No. 29.9 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- b) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note No. 29.10 to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv)(a) and (iv)(b) contain any material mis-statement.
- v. The dividend declared and paid during the year by the company is in accordance with section 123 of the Act, as applicable.
- vi. Based on our examination which included test checks, the company, has used an accounting software system for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software system. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
3. With respect to the other matters to be included in the Auditor's Report under Section 197(16) of the Act, as amended:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Companies Act, 2013 read with Schedule V to the said Act.

For H T K S & CO.

Chartered Accountants

Firm Reg. No.: 111032W

CA HARISHANKAR TOSNIWAL

Partner

Place : Surat

Date : 27th May, 2025

Membership No.: 055043

UDIN : 25055043BMGXXR7147

Annexure – A to the Independent Auditor’s Report:

The Annexure referred to in our report to the members of SHAHLON SILK INDUSTRIES LIMITED for the year ended 31st March, 2025.

To the best of our information and according to the explanations given by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (I) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a programme of physical verification of its Property, Plant and Equipment so as to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain Property, plant and equipments were verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee and lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment and intangible assets during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of

the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.

- (ii) (a) According to information and explanations given to us, the management of the Company has conducted physical verification at reasonable intervals of inventories during the year and the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to nature and size of the Company and no discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with the books of accounts.
- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, from bank on the basis of security of current assets; according to the information and explanations given to us and on the basis of records examined by us, the quarterly returns and statements comprising stock and creditors statements, book debt statements and other stipulated financial information filed by the Company with such bank are not having material difference with the unaudited books of account of the Company, of the respective quarters and the differences are of reconciled nature. However, we have not carried out a specific audit of such statements.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted loans and advances in the nature of unsecured loans to companies and other parties during the year. The company has not provided any guarantee or security during the year. The company has not made any investment in firms, limited liability partnership or any other parties.
- a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted the following loans and advances in the nature of unsecured loan as below:

Particulars	(₹ in Lakhs)			
	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted during the year				
-Subsidiaries	-	-	-	-
-Joint Ventures	-	-	-	-
-Associates	-	-	-	-
-Others	-	-	53.00	9.56
Balance outstanding at Balance Sheet date pertaining to the above				
-Subsidiaries	-	-	-	-
-Joint Ventures	-	-	-	-
-Associates	-	-	-	-
-Others	-	-	54.79	4.28

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the grant of all loans and advances are not prejudicial to the company's interest.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the loan granted by the company are repayable on demand and hence no repayment schedule of principal and interest have been stipulated. Thus, we are unable to comment upon the regularity of repayment of principal and interest.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the loan is repayable on demand and hence no overdue amount for more than ninety days in respect of loans given is applicable and correspondingly Clause (iii)(d) of the Order is not applicable.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the loan is repayable on demand and hence applicability of loan or advance granted by the Company being renewed or extended or fresh loans granted to settle the overdue of existing loans does not exist and hence Clause (iii)(e) of the Order is not applicable.
- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company has not granted any loans and advances to promoter or Related parties hence Clause (iii)(f) of the Order is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of records, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investment made or guarantees given.
- (v) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or other relevant provisions of the Companies Act, 2013 and the rules framed thereunder where applicable and the directives issued by the Reserve Bank of India as applicable, with regard to deposits or amounts which are deemed to be deposits. As informed to us, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this matter and no order has been passed by any of the aforesaid authorities in this regard.
- (vi) According to the information and explanations given to us, the Central Government has specified the maintenance of cost records under sub-section (1) of Section 148 of The Companies Act, 2013 for the products of the company. We have broadly reviewed the books of account maintained by the Company in respect of the product/services and are of the opinion that, prima facie the prescribed accounts and cost records have been maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, GST, Income-Tax, Sales-Tax, Service Tax,

Duty of Customs, Duty of Excise, VAT, Cess and other statutory dues applicable to it with the appropriate authorities except TDS.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, GST, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, VAT, Cess and

other statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:

Nature of The Statute	Nature of The Dues	Period to which the amount relates	Amount	Forum where dispute is pending
Excise Duty Act	Excise Duty	AY 2018-19	9.61 Lakhs	Central Excise & Service Tax Appellate Tribunal
Customs Act	Custom Duty	AY 2015-16	2.58 Lakhs	Commissioner of Customs (Appeals)
Goods and Services Tax Act	Goods and Services Tax	AY 2018-19	234.93 Lakhs	The Goods and Services Tax Appellate Tribunal
Goods and Services Tax Act	Goods and Services Tax	AY 2018-19 TO AY 2020-21	2.32 Lakhs	The Goods and Services Tax Appellate Tribunal

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company during the year, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have

been used for Long-term purpose by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not have any subsidiaries, associates or joint ventures as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiaries, associates or joint ventures as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable.

- (xi) (a) Based on the examination of books and records of the company, no fraud by the Company and on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on the information and explanations provided to us and our audit procedures, in our opinion, the company has an internal audit system commensurate with the size and nature of the business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of Statutory Auditor during the year and hence the provision of clause (xviii) of Paragraph 3 of the order is not applicable to the company.

However, the term of M/s Rasesh Shah & Associates, the predecessor auditors of the Company, has expired upon the conclusion of the 16th Annual General Meeting of the Company held on 30th September, 2024, having completed two terms of five consecutive years in accordance with section 139(2) of the Companies Act, 2013. As informed, there have been no issues, objections or concerns raised by the said outgoing auditors.

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

- (xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx)(a) and (b) of the Order is not applicable.

For H T K S & CO.

Chartered Accountants

Firm Reg. No.: 111032W

CA HARISHANKAR TOSNIWAL

Partner

Place : Surat

Membership No.: 055043

Date : 27th May, 2025

UDIN : 25055043BMGX7147

Annexure – B to the Independent Auditor's Report:

Report on The Financial Statements of Shahlon Silk Industries Limited for the Year Ended 31st March, 2025

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

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

Opinion

We have audited the internal financial controls over financial reporting of **SHAHLON SILK INDUSTRIES LIMITED ("the Company")** as on **31st March, 2025** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2025**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 H T K S & CO.

Chartered Accountants

Firm Reg. No.: 111032W

CA HARISHANKAR TOSNIWAL

Partner

Membership No.: 055043

UDIN : 25055043BMGXXR7147

Place : Surat

Date : 27th May, 2025

BALANCE SHEET

AS AT 31ST MARCH, 2025

(₹ in Lakhs)

PARTICULARS	Note No.	As at March 31,2025	As at March 31,2024
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	1	6,689.48	7,477.63
(b) Capital Work in Progress	1	430.69	67.82
(c) Intangible Assets	1	7.76	10.77
(d) Intangible Assets under Development	1	-	-
(e) Financial Assets			
(i) Investments	2	199.88	120.11
(ii) Other Financial Assets	3	290.57	234.84
(f) Other Non-Current Assets	4	773.95	907.29
Total Non-Current Assets		8,392.32	8,818.46
(2) CURRENT ASSETS			
(a) Inventories	5	9,524.09	7,949.31
(b) Financial Assets			
(i) Trade Receivables	6	9,727.50	14,544.06
(ii) Cash & Cash Equivalents	7	19.88	17.24
(iii) Bank Balance other than (ii) above	8	91.70	97.34
(iv) Loans		-	-
(v) Other Financial Assets		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other Current Assets	9	505.59	502.95
Total Current Assets		19,868.76	23,110.89
TOTAL ASSETS		28,261.09	31,929.35
II. EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share Capital	10	1,786.05	1,786.05
(b) Other Equity		8,782.84	8,489.02
Total Equity		10,568.89	10,275.07
LIABILITIES			
(2) NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	11	7,429.24	5,349.41
(ii) Other Financial Liabilities	12	131.00	-
(b) Provisions	13	89.03	35.28
(c) Deferred Tax Liabilities (Net)	14	31.57	114.30
(d) Other Non Current Liabilities	15	185.55	171.29
Total Non-Current Liabilities		7,866.40	5,670.28

(₹ in Lakhs)

PARTICULARS	Note No.	As at March 31,2025	As at March 31,2024
(3) CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	5,922.93	7,944.60
(ii) Trade Payables	17		
- Micro and Small Enterprises		1,266.80	1,166.55
- Others		996.23	5,869.83
(iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	18	1,307.32	770.01
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)		332.53	233.00
Total Current Liabilities		9,825.80	15984.00
TOTAL EQUITY AND LIABILITIES		28,261.09	31,929.35

Notes to Accounts & Significant Accounting Policies
The Notes No. 1 to 29 are Integrated Part of these Financial Statements

As per our Report of even date

For H T K S & CO.

Chartered Accountants

CA HARISHANKAR TOSNIWAL
Partner

M.NO. : 055043

Firm Reg. No : 111032W

Place : Surat

Date : 27.05.2025

UDIN : 25055043BMGX7147

For and on behalf of the Board

Shahlon Silk Industries Limited
Dhirajlal R. Shah

Chairman

DIN : 00010480

Hitesh K. Garmora

Company Secretary

Place : Surat

Date : 27.05.2025

Arvind R. Shah

Managing Director

DIN : 00010483

Satish H. Shah

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

PARTICULARS	Note No.	2024-25	2023-24
INCOME			
I. Revenue From Operation	19	25,126.53	31,087.76
II. Other Income	20	67.30	51.34
III. Total Income (I+II)		25,193.83	31,139.09
IV. EXPENSES			
Cost of Materials Consumed	21	7,524.32	9,714.71
Purchase of Stock-in-trade		11,899.76	15,696.78
Change in Inventories of Finished Goods, Stock-in-trade & Work-in-progress	22	(1,509.40)	(1,944.90)
Employee Benefits Expenses	23	2,096.75	2,266.04
Finance Costs	24	1,717.87	1,478.39
Depreciation and Amortisation Expense	25	640.00	781.67
Other Expenses	26	2,270.42	2,567.60
Total Expenses (IV)		24,639.72	30,560.29
V. Profit before Exceptional Items and Tax (III-IV)		554.11	578.80
VI. Exceptional Items			
Profit/(Loss) on sale of Assets / Investment		38.27	32.69
VII. Profit Before Tax (V-VI)		592.38	611.49
VIII. Tax Expenses			
Current Tax		325.26	348.02
Excess provision/shortfall for taxation		-	(143.68)
- Excess provision/shortfall for Depreciation		-	-
Deferred Tax		(82.73)	8.99
IX. Profit for the Year (VII-VIII)		349.86	398.16
X. Other Comprehensive Income			
(I) Items that will not be reclassified to profit or loss			
Actuarial (loss)/gain on defined benefit obligation		(2.45)	42.94
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(iii) Items that will be reclassified to profit or loss		-	-
(iv) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income for the year (X)		(2.45)	42.94
XI. Total Comprehensive Income for the year (IX+X)		347.40	441.11
XII. Earnings Per Equity Share :			
(I) Basic	27	0.39	0.45
(ii) Diluted		0.39	0.45

Notes to Accounts & Significant Accounting Policies

The Notes No. 1 to 29 are Integrated Part of these Financial Statements

As per our Report of even date

For H T K S & CO.

Chartered Accountants

CA HARISHANKAR TOSNIWAL
Partner

M.NO. : 055043

Firm Reg. No : 111032W

Place : Surat

Date : 27.05.2025

UDIN : 25055043BMGX7147

For and on behalf of the Board

Shahlon Silk Industries Limited

Dhirajlal R. Shah

Chairman

DIN : 00010480

Hitesh K. Garmora

Company Secretary

Place : Surat

Date : 27.05.2025

Arvind R. Shah

Managing Director

DIN : 00010483

Satish H. Shah

Chief Financial Officer

CASH FLOW STATEMENT ANNEXED TO THE FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2025

PARTICULARS	2024-2025 (₹ in Lakhs)	2023-2024 (₹ in Lakhs)
(A) Cash Flow from Operating Activities :		
Net profit before Tax and Extraordinary Items	551.66	621.75
Adjusted For :		
Depreciation	640.00	781.67
Interest Paid	1,717.87	1,478.39
Proportionate Capital Subsidy on Plant Machinery	(33.44)	(6.59)
Extra ordinary item ((Profit)/loss on sale of assets)	170.12	(12.38)
Provision for gratuity	53.75	35.28
Operating Profit before Working Capital Charges	3,099.95	2898.11
Adjusted For :		
Trade and other receivables	4,813.91	(2,652.48)
Inventories	(1,574.78)	(1,492.17)
Trade payables & Provisions	(4,146.16)	3627.99
Cash Generated From Operations	2,192.93	2,381.46
Interest Paid on operations	(979.95)	(1,137.70)
Cash flow before Extraordinary items	1,212.98	1,243.76
Short Provision for taxation (Earlier Year)	-	143.68
Current tax	(325.26)	(348.02)
Net Cash from Operating Activities	887.72	1,039.43
(B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(762.64)	(85.34)
Sales of Fixed Assets	419.09	240.85
(Purchase) / Sales of Investments	(79.78)	(37.03)
Capital Subsidy received against Capital Assets under TUF	47.70	-
Long Term Advances	92.57	(15.62)
Net Cash used in Investing Activities	(283.05)	102.86
(C) Cash Flow from Financing Activities		
Repayment of Finance / Lease / Loan (Net)	2,089.47	234.61
Share capital including share premium	-	-
Short Term Loan	(2,021.68)	(972.72)
Interest Paid on Term Loan	(737.91)	(340.69)
Dividend Paid	(53.58)	(53.58)
Other Financial Liabilities – Security Deposit Received	131.00	-
Net Cash used in Financial Activities	(592.71)	(1,132.38)

PARTICULARS	2024-2025 (₹ in Lakhs)	2023-2024 (₹ in Lakhs)
NET INCREASE IN CASH & CASH EQUIVALENTS (A)+(B)+(C)	11.96	9.91
Opening Cash and Cash Equivalents	195.24	185.33
Add: On Amalgamation	-	-
Closing Cash and Cash Equivalents	207.20	195.24

For H T K S & CO.

Chartered Accountants

CA HARISHANKAR TOSNIWAL
Partner

M.NO. : 055043

Firm Reg. No : 111032W

Place : Surat

Date : 27.05.2025

UDIN : 25055043BMGX7147

For and on behalf of the Board

Shahlon Silk Industries Limited
Dhirajlal R. Shah

Chairman

DIN : 00010480

Hitesh K. Garmora

Company Secretary

Place : Surat

Date : 27.05.2025

Arvind R. Shah

Managing Director

DIN : 00010483

Satish H. Shah

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2025

A. EQUITY SHARE CAPITAL

As at 31.03.2025

(₹ in Lakhs)

Balance at the beginning of the reporting period i.e. 1st April 2024	Changes in equity share capital during the year 2024-25	Balance at the end of the reporting period 31st March 2025
1786.05	-	1786.05

As at 31.03.2024

(₹ in Lakhs)

Balance at the beginning of the reporting period i.e. 1st April 2023	Changes in equity share capital during the year 2023-24	Balance at the end of the reporting period 31st March 2024
1786.05	-	1786.05

B. OTHER EQUITY

(1) Current reporting period

(₹ in Lakhs)

	Reserve and Surplus		Capital Reserve on Amalgamation	Revaluation Surplus	Other Comprehensive Income	Total
	Securities Premium Reserve	Retained Earnings				
Balance as at 01.04.2024	310.86	3,166.15	4,421.69	447.56	142.77	8,489.02
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-
Total Comprehensive Income for the year	-	349.86	-	-	-	349.86
Dividends	-	(53.58)	-	-	-	(53.58)
Tax on Dividends	-	-	-	-	-	-
Transfer to retained earnings	-	16.66	-	(16.66)	-	-
On Issue of Bonus Share	-	-	-	-	-	-
Transferred to issued capital	-	-	-	-	-	-
Movement in OCI during the year	-	-	-	-	(2.45)	(2.45)
Balance at the end of the reporting period 31.03.2025	310.86	3,479.08	4,421.69	430.90	140.31	8,782.84

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2025

(2) Previous reporting period
(₹ in Lakhs)

	Reserve and Surplus		Capital Reserve on Amalgamation	Revaluation Surplus	Other Comprehensive Income	Total
	Securities Premium Reserve	Retained Earnings				
Balance as at 01.04.2023	310.86	2,802.86	4,421.69	466.26	99.82	8,101.49
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-
Total Comprehensive Income for the year	-	398.16	-	-	-	398.16
Dividends	-	(53.58)	-	-	-	(53.58)
Tax on Dividends	-	-	-	-	-	-
Transfer to retained earnings	-	18.71	-	(18.71)	-	-
On Issue of Bonus Share	-	-	-	-	-	-
Transferred to issued capital	-	-	-	-	-	-
Movement in OCI during the year	-	-	-	-	42.94	42.94
Balance at the end of the reporting period 31.03.2024	310.86	3,166.15	4,421.69	447.56	142.77	8,489.02

Notes to Accounts & Significant Accounting Policies

The Notes No. 1 to 29 are Integrated Part of these Financial Statements

As per our Report of even date

For H T K S & CO.

Chartered Accountants

CA HARISHANKAR TOSNIWAL

Partner

M.NO. : 055043

Firm Reg. No : 111032W

Place : Surat

Date : 27.05.2025

UDIN : 25055043BMGXXR7147

For and on behalf of the Board

Shahlon Silk Industries Limited

Dhirajlal R. Shah

Chairman

DIN : 00010480

Hitesh K. Garmora

Company Secretary

Place : Surat

Date : 27.05.2025

Arvind R. Shah

Managing Director

DIN : 00010483

Satish H. Shah

Chief Financial Officer

NOTES TO AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2025
1. PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

SR. NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK			
		As at 01.04.2024	Addition	Disposals	As at 31.03.2025	Upto 31.03.2024	For the Period	Deduct	Upto 31.03.2025	As At 31.03.2025	As At 31.03.2024
1	TANGIBLE ASSETS: -										
	LEASE-HOLD LAND [Value of the land is represented in the form of shares allotted by the Lessor in consideration of the lease rights given to the Lessee]	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Land	1568.82	396.30	213.89	1751.23	0.00	0.00	0.00	0.00	1751.23	1568.82
3	Lease Hold Land Apparel Park (SEZ)	1085.69	0.00	0.00	1085.69	0.00	0.00	0.00	0.00	1085.69	1085.69
4	Building	4325.32	0.00	114.79	4210.53	2957.90	147.39	51.01	3054.28	1156.24	1367.42
5	Plant & Machinery	11481.80	0.00	695.13	10786.68	8715.90	385.94	428.76	8673.08	2113.59	2765.90
6	Wind Mill	2412.31	0.00	0.00	2412.31	1819.89	79.11	0.00	1898.99	513.31	592.42
7	Natural Gas Based Handset	2.82	0.00	0.00	2.82	2.13	0.00	0.00	2.13	0.70	0.70
8	Waste Heat Recovery	1.36	0.00	0.00	1.36	1.31	0.00	0.00	1.31	0.05	0.05
9	Office Equipment	216.07	2.25	3.90	214.41	197.65	4.62	3.65	198.61	15.80	18.42
10	Computer	202.42	0.21	14.19	188.45	195.17	1.31	13.97	182.51	5.93	7.25
11	Vehicles	350.70	0.00	39.65	311.05	305.36	13.27	34.24	284.39	26.66	45.34
12	Furniture & Fixtures	127.90	0.00	0.00	127.90	116.85	2.47	0.00	119.32	8.58	11.05
13	Beam Pipe	98.63	0.00	0.28	98.35	84.06	2.88	0.28	86.67	11.69	14.57
	SUB-TOTAL (A): -	21,873.84	398.76	1,081.82	21,190.78	14,396.21	636.98	531.90	14,501.30	6,689.48	7,477.63
1	INTANGIBLE ASSETS: -										
	Computer (Intangible)	93.42	0.00	0.00	93.42	82.65	3.01	0.00	85.66	7.76	10.77
	SUB-TOTAL (B): -	93.42	0.00	0.00	93.42	82.65	3.01	0.00	85.66	7.76	10.77
	GRAND TOTAL (A+B): -	21,967.26	398.76	1,081.82	21,284.20	14,478.86	640.00	531.90	14,586.96	6,697.24	7,488.40
	Last Year Detail (₹ in lakhs)	22,381.83	49.36	463.93	21,967.26	13,965.34	781.67	268.16	14,478.86	7,488.40	8,416.49

CAPITAL WORK IN PROGRESS : AGEING

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of 2024-25				Amount in CWIP for a period of 2023-24				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Plant and Machinery for Projects in Progress	363.88	35.98	3.27	0.00	35.98	0.45	2.83	1.01	40.27
Projects Temporarily suspended		0.00	27.55	0.00		27.55	0.00	0.00	27.55

Notes:

1.1 For properties Mortgaged / Hypothecated as securities Refer Note No. 11.

1.2 Depreciation on revalued portion of Fixed Assets calculated on written down method over balance useful life of assets, is transferred from revaluation reserve to the Profit & Loss Amounting to ₹ 16.66 lakhs (PY. ₹ 18.71 lakhs)

1.3 The company has acquired 99 years leasehold right of Plot No. Composite Unit 1 & 2, Plot Nos. 3, 4, 5/A & 15, Fairdeal Textile Park, Village: Mahuvej, Taluka: Mangrol, Dist.: Surat, by subscribing to the shares of Fairdeal Textile Park Pvt. Ltd. All the risk and rewards of the leasehold land has been transferred to the Company. The life of leasehold land has been considered beyond estimate because of the period of lease being 99 years and renewable thereafter gives the Company ownership of the plot in perpetuity. The leasehold land has been recognised as finance lease at nil value and the value of shares by virtue of which the Company acquired the leasehold right has been recognised in non-current asset at their historical cost.

NOTES TO AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2024
1. PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

SR. NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
		As at 01.04.2023	Addition	Disposals	As at 31.03.2024	Upto 31.03.2023	For the Period	Deduct	Upto 31.03.2024	As At 31.03.2024	As At 31.03.2023
1	TANGIBLE ASSETS: -										
	LEASE-HOLD LAND										
	[Value of the land is represented in the form of shares allotted by the Lessor in consideration of the lease rights given to the Lessee]	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Land	1,676.85	36.57	144.60	1,568.82	0.00	0.00	0.00	0.00	1,568.82	1,676.85
3	Lease Hold Land Apparel Park (SEZ)	1,085.69	0.00	0.00	1,085.69	0.00	0.00	0.00	0.00	1,085.69	1,085.69
4	Building	4,325.32	0.00	0.00	4,325.32	2,781.71	176.19	0.00	2,957.90	1,367.42	1,543.61
5	Plant & Machinery	11,756.68	9.24	284.11	11,481.80	8,474.19	474.93	233.22	8,715.90	2,765.90	3,282.49
6	Wind Mill	2,412.31	0.00	0.00	2,412.31	1,728.29	91.60	0.00	1,819.89	592.42	684.02
7	Natural Gas Based Handset	2.82	0.00	0.00	2.82	2.13	0.00	0.00	2.13	0.70	0.70
8	Waste Heat Recovery	1.36	0.00	0.00	1.36	1.31	0.00	0.00	1.31	0.05	0.05
9	Office Equipment	214.41	2.43	0.77	216.07	191.73	6.49	0.57	197.65	18.42	22.68
10	Computer	225.42	0.42	23.42	202.42	215.92	2.67	23.42	195.17	7.25	9.51
11	Vehicles	352.14	0.00	1.44	350.70	286.93	19.79	1.36	305.36	45.34	65.21
12	Furniture & Fixtures	127.45	0.45	0.00	127.90	113.73	3.12	0.00	116.85	11.05	13.72
13	Beam Pipe	107.97	0.25	9.59	98.63	90.40	3.25	9.59	84.06	14.57	17.57
	SUB-TOTAL (A): -	22,288.41	49.36	463.93	21,873.84	13,886.32	778.04	268.16	14,396.21	7,477.63	8,402.09
1	INTANGIBLE ASSETS: -										
	Computer (Intangible)	93.42	0.00	0.00	93.42	79.02	3.63	0.00	82.65	10.77	14.40
	SUB-TOTAL (B): -	93.42	0.00	0.00	93.42	79.02	3.63	0.00	82.65	10.77	14.40
	GRAND TOTAL (A+B): -	22,381.83	49.36	463.93	21,967.26	13,965.34	781.67	268.16	14,478.86	7,488.40	8,416.49
	Last Year Detail (₹ in lakhs)	22,314.95	363.76	296.88	22,381.83	13,187.08	905.38	127.12	13,965.34	8,416.49	9,127.87

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of 2023-24				Total	Amount in CWIP for a period of 2022-23				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years		Less than 1 year	1-2 year	2-3 years	More than 3 years	
Plant and Machinery for Projects in Progress	35.98	0.45	2.83	1.01	40.27	0.45	2.83	1.01	0.00	4.28
Projects Temporarily suspended		0.00	27.55		27.55		27.55	0.00	0.00	27.55

Notes: 1.1 For properties Mortgaged / Hypothecated as securities Refer Note No. 11.

1.1.2 Depreciation on revalued portion of Fixed Assets calculated on written down method over balance useful life of assets, is transferred from revaluation reserve to the Profit & Loss Amounting to ₹ 18.71 lakhs (PY. ₹ 21.02 lakhs)

1.1.3 The company has acquired 99 years leasehold right of Plot No. Composite Unit 1 & 2, Plot Nos. 3, 4, 5/A & 15, Fairdeal Textile Park, Village: Mahujevi, Taluka: Mangrol, Dist.: Surat, by subscribing to the shares of Fairdeal Textile Park Pvt. Ltd. All the risk and rewards of the leasehold land has been transferred to the Company. The life of leasehold land has been considered beyond estimate because of the period of lease being 99 years and renewable thereafter gives the Company ownership of the plot in perpetuity. The leasehold land has been recognised as finance lease at nil value and the value of shares by virtue of which the Company acquired the leasehold right has been recognised in non-current asset at their historical cost.

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

PARTICULARS	As at March 31,2025	As at March 31,2024
2 NON CURRENT INVESTMENTS		
The investment in unquoted equity shares are recorded at cost in the financial statements		
EQUITY (Unquoted) :		
(31500) Shares of Fairdeal Eco Infra Pvt. Ltd.	-	3.15
64830 (64830) Shares of The Cosmos Co-Op. Bank Ltd.	79.93	79.93
250050 (250050) Shares of NKGSB CO-OP. BANK LTD.	25.01	25.01
250 (250) Shares of SVC CO-OP. BANK LTD.	0.03	0.03
48 (48) LTS BOND-NKGSB CO-OP BANK LTD.	12.00	12.00
	<u>116.96</u>	<u>120.11</u>
MUTUAL FUND (Quoted) :		
ADITYA BIRLA SUN LIFE MONEY MANAGER *	82.93	-
	<u>82.93</u>	<u>-</u>
TOTAL	<u>199.88</u>	<u>120.11</u>

*The mutual funds have been disclosed at Fair Value considering the NAV as on 31.03.2025

PARTICULARS	As at March 31,2025	As at March 31,2024
3 OTHER FINANCIAL ASSETS		
Bank Deposits with more than 12 months maturity	95.62	80.67
Agency Deposits	194.94	154.18
TOTAL	<u>290.57</u>	<u>234.84</u>

PARTICULARS	As at March 31,2025	As at March 31,2024
4 OTHER NON CURRENT ASSETS (Unsecured and Considered Good)		
Keyman Insurance Premium	55.05	138.04
779797 (779797) Shares of Fairdeal Textile Park Pvt. Ltd. (Refer Note 1.3)	380.49	380.49
107000 (107000) Shares of Shahlon Textile Park Pvt.Ltd.	10.70	10.70
Interest Subsidy Receivables	164.23	164.23
Cenvat Availed	0.77	1.54
Utility Deposits	162.71	212.28
TOTAL	<u>773.95</u>	<u>907.29</u>

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

PARTICULARS	As at March 31,2025	As at March 31,2024
5 INVENTORIES		
Raw Materials	561.76	487.88
Work-in-progress	159.46	101.67
Finished Goods	2,027.03	2,363.82
Stock- in-trade	6,496.76	4,708.36
Consumable Stores etc.	279.08	287.58
TOTAL	9,524.09	7,949.31

PARTICULARS	As at March 31,2025	As at March 31,2024
6 TRADE RECEIVABLES (Unsecured and Considered Good)		
Trade Receivables - Considered Good	9,727.50	14,544.06
Trade receivables - credit impaired	12.23	12.09
Expected credit loss allowance	(12.23)	(12.09)
TOTAL	9,727.50	14,544.06

Trade Receivables includes Receivables from Related Party of ₹ 6.53 Lakhs & Previous Year ₹ 4.34 Lakhs

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

6.1 Trade Receivables Ageing Schedule

(₹ in Lakhs)

Particulars	Outstanding for following period from Due date of Payment As at 31st March'2025					Total
	Less than 6 Months	6 Months to Year	1-2 year	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	7,896.09	382.07	474.89	114.87	549.00	9,416.91
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	12.23
(iv) Disputed Trade Receivables– considered good	-	-	-	-	310.59	310.59
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
TOTAL	7,896.09	382.07	474.89	114.87	859.59	9,739.73
Less : Allowances for Bad and Doubt Ful debts						12.23
TOTAL TRADE RECEIVABLES						9,727.50

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

Particulars	Outstanding for following period from Due date of Payment As at 31st March'2024					Total
	Less than 6 Months	6 Months to Year	1-2 year	2-3 years	More than 3 years	
(I) Undisputed Trade receivables – considered good	12,888.17	279.31	270.85	319.14	476.00	14,233.47
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	12.09
(iv) Disputed Trade Receivables– considered good	-	-	-	-	310.59	310.59
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
TOTAL	12,888.17	279.31	270.85	319.14	786.59	14,556.15
Less : Allowances for Bad and Doubt Ful debts						12.09
TOTAL TRADE RECEIVABLES						14,544.06

Note:
Expected credit loss (ECL):

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits for each customer. Limits and scoring attributed to customers are reviewed once a year.

As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL allowance (or reversal) during the year is recognized in the statement of profit and loss.

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

PARTICULARS	As at March 31,2025	As at March 31,2024
Movement in the expected credit loss allowance		
Balance at the beginning of the year	12.09	7.79
Add : Allowances for Expected credit loss during the year	247.81	200.00
Less: Bad debts written off during the year	247.67	195.70
Balance at the end of the year	12.23	12.09

PARTICULARS	As at March 31,2025	As at March 31,2024
7 CASH AND CASH EQUIVALENTS		
a) Balance with Banks in Current Accounts	-	-
b) Balance with Banks in Unpaid Dividend Accounts	4.66	6.85
c) Cash in Hand	15.22	10.39
TOTAL	19.88	17.24

PARTICULARS	As at March 31,2025	As at March 31,2024
8 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS		
Fixed Deposit with scheduled Bank	91.70	97.34
TOTAL	91.70	97.34

PARTICULARS	As at March 31,2025	As at March 31,2024
9 OTHER CURRENT ASSETS (Unsecured and Considered Good)		
Prepaid Expenses	17.48	51.53
GST Receivables	-	33.53
Advances Against Goods & Services	108.02	64.32
Export Excise Rebate/GST Receivable	27.52	52.40
Others (Refer Note 9.1)	352.57	301.17
TOTAL	505.59	502.95

9.1 Others includes Loans and Advances given to employees amounting to ₹ 4.29 Lakhs (P.Y. ₹ 3.37 Lakhs) & Loans given to other parties ₹ 322.90 Lakhs (P.Y. ₹ 243.48 Lakhs) valued at actual amount of outflow.

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

PARTICULARS	As at March 31,2025	As at March 31,2024
10 EQUITY SHARE CAPITAL		
<u>Authorised</u>		
16,00,00,000 Equity Shares of ₹2/- each	3,200.00	3,200.00
(P.Y. 16,00,00,000 Equity Shares of ₹2/- each)		
TOTAL	3,200.00	3,200.00
<u>Issued, Subscribed and Fully Paid-up</u>		
8,93,02,450 Equity Shares of ₹2/- each	1,786.05	1,786.05
(P.Y. 8,93,02,450 Equity Shares of ₹2/- each)		
TOTAL	1,786.05	1,786.05

10.1 List of Shareholders holding more than 5% shares in the Company.

(₹ in Lakhs)

Sr. No.	Name of Shareholder	31/03/2025		31/03/2024	
		Number of shares	Percentage	Number of shares	Percentage
1	Nitin Raichand Shah	85,86,280	9.61	85,86,280	9.61
2	Jayantilal Raichand Shah	67,20,975	7.53	67,20,975	7.53
3	Mahendra Raichand Shah.	64,23,155	7.19	64,23,155	7.19
4	Dhirajlal Raichand Shah	56,14,900	6.29	56,14,900	6.29
5	Shah Dipan Jayantilal	51,55,165	5.77	51,55,165	5.77
6	Aegis Investment Fund Pcc	6,52,259	0.73	49,88,023	5.59

• A Reconciliation Statement of No. of Outstanding Shares

PARTICULARS	As at March 31,2025	As at March 31,2024
Equity Shares of Face Value of Rs.2/- each outstanding at the beginning of the year	8,93,02,450	8,93,02,450
Add/(Less) :Changes during the year	-	-
TOTAL	8,93,02,450	8,93,02,450

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

10.2 Terms / Rights attached to Equity Shares:

The Company has one class of Shares referred to as Equity Shares having a par value of ₹2 each. Each shareholder is entitled to one vote per Share held. The Dividend as and when proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.

Shares held by promoters at the end of the year

Sr. No.	Name of Promoters	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Nitin Raichand Shah	85,86,280	9.61%	85,86,280	9.61%	-
2	Jayantilal Raichand Shah	67,20,975	7.53%	67,20,975	7.53%	-
3	Mahendra Raichand Shah	64,23,155	7.19%	64,23,155	7.19%	-
4	Dhirajlal Raichand Shah	56,14,900	6.29%	56,14,900	6.29%	-
5	Shah Dipan Jayantilal	51,55,165	5.77%	51,55,165	5.77%	-
6	Arvind Raichand Shah	37,77,364	4.23%	37,71,364	4.22%	0.01%
7	Avani Arvind Shah	24,34,310	2.73%	24,34,310	2.73%	-
8	Arvind Raichand Shah Partner Of Lotus Marketing	20,12,500	2.25%	20,12,500	2.25%	-
9	Harsh Mahendra Shah	17,76,570	1.99%	17,76,570	1.99%	-
10	Meena Mahendra Shah	17,18,835	1.92%	17,18,835	1.92%	-
11	Shah Raichand Kanji Huf	16,20,000	1.81%	16,20,000	1.81%	-
12	Shah Mahendra Raichand Huf	14,51,250	1.63%	14,51,250	1.63%	-
13	Kanchan Dhirajlal Shah	13,99,195	1.57%	13,99,195	1.57%	-
14	Shah Jayantilal Raichand Huf	13,76,250	1.54%	13,76,250	1.54%	-
15	Minaxi Nitin Shah	13,66,280	1.53%	13,66,280	1.53%	-
16	Shah Dhruv Arvind	13,98,416	1.57%	13,98,416	1.57%	-
17	Biren Jayantilal Chheda	18,00,000	2.02%	18,00,000	2.02%	-
18	Pravinchandra Raychand Chheda	16,23,234	1.82%	16,83,960	1.89%	-0.07%
19	Shah Arvind Raichand Huf	10,51,250	1.18%	10,51,250	1.18%	-
20	Shah Nitin Raichand Huf	9,76,250	1.09%	9,76,250	1.09%	-
21	Damyanti Jayantilal Shah	9,44,310	1.06%	9,44,310	1.06%	-
22	Smita Biren Chheda	14,47,500	1.62%	14,47,500	1.62%	-
23	Shah Dhirajlal Raichand Huf	8,63,750	0.97%	8,63,750	0.97%	-
24	Sonal Dipan Shah	7,68,740	0.86%	7,68,740	0.86%	-
25	Shah Dipan Jayantilal Huf	6,76,250	0.76%	6,76,250	0.76%	-
26	Ravi Mahendra Shah	4,98,125	0.56%	4,98,125	0.56%	-
27	Anant Zaverchand Gada	1,20,435	0.13%	1,20,435	0.13%	-
28	Lewellyn Joseph Rego	-	0.00%	1,00,000	0.11%	-0.11%
29	Dinesh Michael Rego	-	0.00%	42,983	0.05%	-0.05%
30	Jinesh Fulchandbhai Shah	35,000	0.04%	35,000	0.04%	-
31	Dhaval Jinesh Shah	-	0.00%	29,945	0.03%	-0.03%
32	Jayaben Jineshbhai Shah	25,000	0.03%	25,000	0.03%	-
33	Bhavini Dhaval Shah	-	0.00%	18,030	0.02%	-0.02%
34	Shah Jenil	10,625	0.01%	10,625	0.01%	-
35	Chheda Hina Pravinchandra	4,36,500	0.49%	4,37,500	0.49%	0.00%
TOTAL NO OF SHARES HELD BY PROMOTERS		6,41,08,414	71.79%	6,43,55,098	72.06%	-0.28%

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

PARTICULARS	As at March 31,2025	As at March 31,2024
<u>OTHER EQUITY</u>		
<u>Capital Reserve on Amalgamation</u>		
Opening Balance	4,421.69	4,421.69
Add/(Less) :Changes during the year	-	-
TOTAL (A)	4,421.69	4,421.69
<u>Securities Premium Reserve</u>		
Opening Balance	310.86	310.86
Add: Addition during the year	-	-
Less: Amount capitalised on Issue of Bonus Shares	-	-
TOTAL (B)	310.86	310.86
<u>Revaluation Reserve Account</u>		
Opening Balance	447.56	466.26
Add: Addition during the year	-	-
Less: Transfer to Profit and Loss A/C	-	-
Less: Reversal during the year	(16.66)	(18.71)
TOTAL (C)	430.90	447.56
<u>Retained Earnings</u>		
As per Last Balance Sheet	3,166.15	2,802.86
Add: Profit/(Loss) for the year	349.86	398.16
Add: Depreciation on Fixed Assets Revaluation	16.66	18.71
Less: Dividend Paid during the year	53.58	53.58
Tax on Dividend Paid	-	-
TOTAL (D)	3,479.08	3,166.15
<u>Other Comprehensive Income (OCI)</u>		
As Per Last Balance Sheet	142.77	99.82
Add: Movement in OCI during the year	(2.45)	42.94
TOTAL (E)	140.31	142.77
TOTAL (A+B+C+D+E)	8,782.84	8,489.02

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

PARTICULARS	As at March 31,2025	As at March 31,2024
11 FINANCIAL LIABILITIES		
BORROWING		
Secured - At amortised cost		
* (a) Term Loan		
SVC CO-OP BANK LTD (Refer Note No. 11.2.a)	1,979.17	2,229.17
NKGSB CO-OP BANK LTD. (Refer Note No. 11.2.b)	2166.27	2,327.75
Aditya Birla Capital Ltd. (Refer Note No. 11.2.c)	2463.25	-
The Cosmos Co. Op. Bank Ltd.	-	79.08
* (b) Vehicle Loan		
Vehicle Loan (Refer Note No. 11.2.d)	4.53	10.94
TOTAL (A)	6,613.22	4,646.94
Unsecured - At amortised cost		
(a) From Company / Bank / LIC of India	443.45	531.75
(b) From Directors / Promoters and their relatives	372.56	170.72
TOTAL (B)	816.02	702.48
TOTAL (A+B)	7,429.24	5,349.41

11.1 Maturity Profile of Term loans/Unsecured loans are set out below :

	Maturity Profile		Non Current Total
	6-10 Years	2-5 Years	
Long Term Secured Loan	3,804.17	2,809.05	6,613.22
Long Term Unsecured Loan	816.02	-	816.02

11.2 Security Details for secured loan

- Corporate Term Loan facilities from SVC Co-op. Bank Ltd. is secured by Equitable Mortgage of Factory Land & Building situated at Block No. 298, Plot no. 1,3A,3B,4A and 4B, Limodara Patiya, Village: Karanj, Taluka: Mandvi, Dist.:Surat AND Property situated at City survey Nondh No.: 451/A of Ward Khatodara, Final Plot No.: 300, T.P. Scheme No. 6, Majura-Khatodara, Taluka/Dist.: Surat owned by the company. Open Industrial land bearing Block No. 1303, situated at Village: Tadkeshwar,Taluka: Mandvi, Dist.: Surat owned by Mr. Mahendra R. Shah AND Personal Guarantee of Mr. Dhirajlal Raychand Shah, Mr. Arvind Raichand Shah, Mr. Nitin Raichand Shah and Mr. Mahendra Raichand Shah.
- Mortgage Term Loan facilities from NKGSB Co-op. Bank Ltd. is secured by Equitable Mortgage of Factory Land & Building situated at Block No. 297, Plot no. 1A,1B,2A,5A,2B&3A,3B,3C and 3D, Limodara Patiya, Village: Karanj, Taluka: Mandvi, Dist.:Surat owned by the company and Leasehold rights registered in the name of the company over Factory Land & Building situated at Plot No. 3 and Plot No. 15, New Block no. 602 & 609, at Fairdeal Textile Park, Village: Mahuvej, Taluka: Mangrol, Dist.: Surat. 13 Residential Flats in Wing H-1, 16 Residential Flats in

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

Wing H- 2 Shahlon Township, Behind Karanj Toll Plaza, Lindiyad Taluka: Mangrol, Dist.: Surat owned by Mr. Dhirajlal R. Shah. 16 Residential Flats AND 4 Commercial Shops in Wing I-1, 20 Residential Flats in Wing I-2 KDS Township, Behind Karanj Toll Plaza, Lindiyad Taluka: Mangrol, Dist.: Surat owned by Mrs. Kanchan D. Shah. Open Industrial land bearing Block No 893, Village: Tadkeshwar, Taluka: Mandvi, Dist Surat owned by Mr. Nitin R. Shah AND Personal Guarantee of Mr. Dhirajlal Raychand Shah, Mr. Arvind Raichand Shah, Mr. Nitin Raichand Shah and Mrs. Kanchan Dhirajlal Shah.

- c) Term Loans facilities from Aditya Birla Capital Ltd. Equitable Mortgage of Leasehold rights registered in the name of the company over Factory Land & Building situated at Composite Unit 2, Plot No. 4 and Plot No. 5A, New Block no. 602 & 609, at Fairdeal Textile Park, Village: Mahuvej, Taluka: Mangrol, Dist.: Surat, Property situated at 91, G.I.D.C., Khatodara, B/h. Sub Jail, Ring Road, Surat, Flat No. 302, "Gunjan Apartment", City Survey Ward: Athwa, Nondh No.1973/B, it's T.P. Scheme No.: 05 (Athwa), Final Plot No.: 310 paiki, situated at Nr. Narmad Library, Ghod Dod Road, Surat owned by Jayantilal R. Shah. Open Industrial land bearing Plot No:25, its City Survey No: NA30/25, Fairdeal Industrial Park, New Block No: 30, Village: Ranodra, Taluka: Jalalpore, District: Navsari owned by Mrs. Kanchan D. Shah AND Personal Guarantee of Mr. Dhirajlal Raychand Shah, Mr. Arvind Raichand Shah, Mr. Nitin Raichand Shah, Mr. Mahendra Raichand Shah, Mr. Jayantilal Raichand Shah, Mr. Dipan Jayantilal Shah, Dhruv Arvind Shah, Damyanti Jayantilal Shah, Kanchan Dhirajlal Shah, Meena Mahendra Shah, Avani Arvind Shah and Minaxi Nitin Shah.
- d) Car Loan from HDFC Bank is secured by hypothecation of Skoda superb Car

11.3 Terms of repayment of secured borrowing from bank:

a) THE COSMOS CO-OPERATIVE BANK LTD.

(₹ in Lakhs)

Sr. No.	Nature of credit facilities	Terms of Repayment	Amount O/s. as on	
			31/03/2025	31/03/2024
1	Term Loan	EMI: ₹ 17,11,748/- Last EMI will due in June'2024	-	48.62
2	Term Loan	EMI: ₹ 8,27,162/- Last EMI will due in November'2025	-	149.56
3	Term Loan	EMI: ₹ 2,54,627/- Last EMI will due in May'2025	-	32.58
4	Term Loan	EMI: ₹ 89,296/- Last EMI will due in August'2026	-	22.29

b) NKGSB CO-OPERATIVE BANK LTD.

Sr. No.	Nature of credit facilities and Name of Bank	Terms of Repayment	Amount O/s. as on	
			31/03/2024	31/03/2023
1	Mortgage Term Loan	Monthly EMI of Rs. 16.18.490/-. Last EMI will due in February'2034	1,119.71	1,193.53
2	Mortgage Term Loan	Monthly EMI of Rs. 17,53,490/-. Last EMI will due in February'2034	1,212.99	1,292.99

c) SVC CO-OPERATIVE BANK LTD.

Sr. No.	Nature of credit facilities and Name of Bank	Terms of Repayment	Amount O/s. as on	
			31/03/2025	31/03/2024
1	Corporate Term Loan	Monthly installment of ₹20,83,334/- Last installment will due in February'2034	2,229.17	2,479.17

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

d) ADITYA BIRLA CAPITAL LTD.

Sr. No.	Nature of credit facilities and Name of Bank	Terms of Repayment	Amount O/s. as on	
			31/03/2025	31/03/2024
1	Corporate Term Loan	Monthly installment of ₹38,78,144/- Last installment will due in June'2034	2,638.76	-

e) VEHICLE LOANS

Sr. No.	Nature of credit facilities and Name of Bank	Terms of Repayment	Amount O/s. as on	
			31/03/2025	31/03/2024
1	Car Loan from HDFC Bank	EMI: Rs.58,235/-. Last EMI will due in November'2026	10.94	16.91

(₹ in Lakhs)

PARTICULARS	As at March 31,2025	As at March 31,2024
12 NON-CURRENT LIABILITIES-OTHER FINANCIAL LIABILITIES		
Lease Security Deposit	131.00	-
Other Financial Liabilities		
TOTAL	131.00	-

PARTICULARS	As at March 31,2025	As at March 31,2024
13 NON-CURRENT LIABILITIES- Provisions		
Provision for gratuity	89.03	35.28
Non-Current Liabilities - Provision		
TOTAL	89.03	35.28

PARTICULARS	As at March 31,2025	As at March 31,2024
14 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability/(Assets) on account of :		
Depreciation on Fixed Assets	87.90	159.02
Unabsorbed Depreciation	-	-
Provisions for Bad Debts	(3.40)	(3.36)
Provision for Bonus	(1.83)	(2.01)
Provision for Leave	(1.98)	(2.13)
Provision for Gratuity	(49.11)	(37.22)
Deferred Tax Liabilities(NET)	TOTAL	114.30
	31.57	

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

PARTICULARS	As at March 31,2025	As at March 31,2024
15 OTHER NON CURRENT LIABILITIES		
<u>Capital Subsidy under TUF</u>		
Opening Balance	171.29	177.88
Add: Addition during the year	47.70	-
Less: Proportionate Capital Subsidy transferred to Profit and Loss Account	(33.44)	(6.59)
TOTAL	185.55	171.29

PARTICULARS	As at March 31,2025	As at March 31,2024
16 SHORT TERM BORROWING		
Secured		
<u>Working Capital Loan</u>		
Bank of Baroda Rupee Loan (Refer Note No. 14.1.a)	2,383.44	2,487.94
Cosmos Bank Rupee Loan (Refer Note No. 14.1.b)	190.83	1,881.43
Cosmos Bank PCFC/PSCFC Loan (Refer Note No. 14.1.b)	0.00	275.70
NKGSB CO-OP BANK LTD CC (Refer Note No. 14.1.c)	995.45	994.80
SVC CO-OP BANK LTD CC (Refer Note No. 14.1.d)	999.62	990.10
Foreign Bills under LC Discounting (Refer Note No. 14.1.e)	273.60	228.26
TOTAL (A)	4,842.93	6,858.23
Unsecured		
ICICI Bank Ltd. (Under Channel Financing)	481.64	497.66
TOTAL (B)	481.64	497.66
Current Maturities of Long Term Secured Loan	598.35	588.71
TOTAL (C)	598.35	588.71
TOTAL (A+B+C)	5,922.93	7,944.60

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

16.1 Security Details for secured loan

Primary security for working capital (For all Banks):

Cash Credit facilities from Bank of Baroda, NKGSB Co-op. Bank Ltd., SVC Co-op. Bank Ltd. AND The Cosmos Co-op. Bank Ltd. is secured by First Pari Passu charge by way of Hypothecation of Raw Materials, Stock-in-Process, Finished Goods, Book Debts and other Current assets belonging to the company.

Collateral security for working capital:

- a) Cash credit facilities from Bank of Baroda is secured by First Pari Passu charge by way of Hypothecation of plant and machinery AND equitable mortgage of factory land and building situated at Block no. 298, Plot no. 2, Block no. 76, Plot no. 2 at Village: Karanj, Taluka: Mandvi, Dist.: Surat, New Block no. 104 (Old Block no. 141), Plot no. 3, New Block no. 104 (Old Block no. 146), Plot no. 3/A & 13, New Block no. 97 (Old Block no. 149), Plot no. 12/A & 12/B at Village: Mota Borasara, Taluka: Mangrol, Dist. Surat AND office premises situated at eastern side of third floor, Dawer Chambers, Ring Road, Surat owned by the Company AND Leasehold rights registered in the name of the company over open Industrial land bearing Plot no.: Composite unit-1, Fairdeal Textile Park, Village: Mahuvej, Taluka: Mangrol, Dist.: Surat AND Personal Guarantee of Mr. Dhirajlal Raychand Shah, Mr. Arvind Raichand Shah, Mr. Nitin Raichand Shah and Mr. Jayantilal Raichand Shah.
- b) Cash credit facilities from The Cosmos Co-op. Bank Ltd. is secured by First Pari Passu charge by way of Hypothecation of plant and machinery AND Equitable Mortgage of Office Premises at T.P. Scheme No.: 6, F.P. No. 233/A, western side of Third Floor, Dawer Chambers, Ring Road, Surat, Open industrial land situated at Plot no. 59,94,125 and 126, Block no. 694, Jayraj Textile Park, Village: Mahuvej, Taluka: Mangrol, Dist.: Surat owned by Mr. Dipan J. Shah, Open residential plots no. 193,194,195,208,209 and 210, Block no. 24 situated at Jayraj Residency, Village: Karanj, Taluka: Mandvi, Dist.: Surat Owned by Mrs. Minaxi N. Shah, Open industrial land situated at Plot no. 1, Block no 470, at Fairdeal Industrial Park, Village: Vesma, Dist.: Navsari owned by Mrs. Kanchan D. Shah AND Personal Guarantee of Mr. Dhirajlal Raychand Shah, Mr. Arvind Raichand Shah, Mr. Nitin Raichand Shah, Mr. Mahendra Raichand Shah, Mr. Jayantilal Raichand Shah, Mr. Dipan Jayantilal Shah, Mrs. Kanchan Dhirajlal Shah and Mrs. Minaxi Nitin Shah.
- c) Cash credit facilities from NKGSB Co-op. Bank Ltd. is secured by Equitable Mortgage of Factory Land & Building situated at Block No. 297, Plot no. 1A,1B,2A,5A,2B&3A,3B,3C and 3D, Limodara Patiya, Village: Karanj, Taluka: Mandvi, Dist.:Surat owned by the company and Leasehold rights registered in the name of the company over Factory Land & Building situated at Plot No. 3 and Plot No. 15, New Block no. 602 & 609, at Fairdeal Textile Park, Village: Mahuvej, Taluka: Mangrol, Dist.: Surat. 13 Residential Flats in Wing H-1, 16 Residential Flats in Wing H- 2 Shahlon Township, Behind Karanj Toll Plaza, Lindiyad Taluka: Mangrol, Dist.: Surat owned by Mr. Dhirajlal R. Shah. 16 Residential Flats AND 4 Commercial Shops in Wing I-1, 20 Residential Flats in Wing I-2 KDS Township, Behind Karanj Toll Plaza, Lindiyad Taluka: Mangrol, Dist.: Surat owned by Mrs. Kanchan D. Shah. Open Industrial land bearing Block No 893, Village: Tadkeshwar, Taluka: Mandvi, Dist Surat owned by Mr. Nitin R. Shah AND Personal Guarantee of Mr. Dhirajlal Raychand Shah, Mr. Arvind Raichand Shah, Mr. Nitin Raichand Shah and Mrs. Kanchan Dhirajlal Shah.
- d) Cash credit facilities from SVC Co-op. Bank Ltd. is secured by First Pari Passu charge by way of Hypothecation of plant and machinery AND Equitable Mortgage of Factory Land & Building situated at Block No. 298, Plot no. 1,3A,3B,4A and 4B, Limodara Patiya, Village: Karanj, Taluka: Mandvi, Dist.:Surat AND Property situated at City survey Nondh No.: 451/A of Ward Khatodara, Final Plot No.: 300, T.P. Scheme No. 6, Majura-Khatodara, Taluka/Dist.: Surat owned by the company. Open Industrial land bearing Block No. 1303, situated at Village: Tadkeshwar,Taluka: Mandvi, Dist.: Surat owned by Mr. Mahendra R. Shah AND Personal Guarantee of Mr. Dhirajlal Raychand Shah, Mr. Arvind Raichand Shah, Mr. Nitin Raichand Shah and Mr. Mahendra Raichand Shah.
- e) Foreign Bills under LC Discounting limit is secured by irrevocable letter of credit issued by bank.

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

PARTICULARS	As at March 31,2025	As at March 31,2024
17 TRADE PAYABLES		
(a) Micro and Small Enterprises (Refer Footnotes (i) and (ii))	1,266.80	1,166.55
TOTAL (A)	1,266.80	1,166.55
(b) Other		
(i) For Goods & Other Purchases	388.69	4,154.62
(ii) For Expenses	607.53	1,715.21
TOTAL (B)	996.23	5,869.83
TOTAL (A+B)	2,263.03	7,036.39

Foot Notes :
Trade Payable Ageing Schedule

(₹ in Lakhs)

Particulars	As At March 31, 2025					
	Outstanding for following period from Due date of Payment					Total
	NOT Due	Less than 1 year	1-2 year	2-3 years	More than 3 years	
(I) MSME	7.62	1,090.87	145.35	22.96	-	1,266.80
(ii) others	366.55	538.60	38.78	35.47	16.83	996.23
(iii) Disputed Dues MSME	-	-	-	-	-	-
(iv) Disputed Dues Others	-	-	-	-	-	-

Trade Payable Ageing Schedule

(₹ in Lakhs)

Particulars	As At March 31, 2024					
	Outstanding for following period from Due date of Payment					Total
	NOT Due	Less than 1 year	1-2 year	2-3 years	More than 3 years	
(I) MSME	560.36	517.32	55.60	31.76	1.51	1,166.55
(ii) others	4,787.22	935.52	107.72	21.53	17.84	5,869.83
(iii) Disputed Dues MSME	-	-	-	-	-	-
(iv) Disputed Dues Others	-	-	-	-	-	-

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management.

(ii) The disclosures relating to Micro and Small Enterprises are as under:

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

PARTICULARS	As at March 31,2025	As at March 31,2024
(a) The principal amount remaining unpaid and due to supplier as at the end of the accounting year	1,259.18	606.19
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

PARTICULARS	As at March 31,2025	As at March 31,2024
18 OTHER CURRENT LIABILITIES		
Advance From Customers	774.37	522.71
Other Payables	63.08	41.68
Provision for earned Leave (Employees)	7.12	7.66
Provision for earned Bonus (Employees)	6.59	7.22
Provision for gratuity (Employees)	87.51	98.51
Interest accrued but not due on borrowings	17.62	24.19
Unclaimed Dividend	4.66	6.85
Statutory dues towards TDS/GST etc.	346.36	61.20
TOTAL	1,307.32	770.01

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

PARTICULARS	2024-25	2023-24
19 REVENUE FROM OPERATIONS		
<u>Sale of Products</u>	22,710.06	29,734.33
Add : Job Work Income	337.15	319.49
TOTAL (A)	23,047.21	30,053.82
<u>Other Operating Revenue</u>		
Sale of Power/Windmill Energy (Captive Consumption)	359.68	511.58
Profit/(Loss) on sale of Assets / Investment	(170.12)	12.38
Dividend	9.87	5.19
Other Operating Income	165.74	84.43
Proportionate Capital Subsidy on Plant & Machinery	8.44	6.59
Factory Shed Rent	85.47	81.44
Commission Income Net	1,591.26	314.67
Income/(Loss) from Currency Swap / Exch. Variance	28.97	17.66
TOTAL (B)	2,079.31	1,033.94
<u>Other Income</u>		
Interest	62.38	51.34
Interest From LLP	-	-
Fair value increase in Investment	4.93	-
TOTAL (C)	67.30	51.34
TOTAL (A+B+C)	25,193.83	31,139.09

19.1 Profit/Loss on Translation of monetary Items are recognized in Profit and Loss account in accordance with para 13.8.1 of Ind AS-21.

PARTICULARS	2024-25	2023-24
20 COST OF MATERIALS CONSUMED		
Raw Material Consumed (Indigenous)	7,415.87	9,571.83
Raw Material Consumed (Imported)	108.45	142.88
TOTAL	7,524.32	9,714.71

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

PARTICULARS	2024-25	2023-24
20.1 Opening Stock	487.88	932.58
Purchase Indigenous	7,467.95	9,162.38
Purchase Imported	130.26	107.63
	8,086.09	10,202.59
Less : Closing Stock	561.76	487.88
TOTAL	7,524.32	9,714.71

PARTICULARS	2024-25	2023-24
21 Change in Inventories of Finished Goods, Stock-in-trade & Work-in-progress		
FINISHED GOODS		
<u>A. Opening Stock</u>		
WIP Goods	101.67	261.55
Finished Goods / Stock in Trade	7,072.18	4,967.40
TOTAL (A)	7,173.85	5,228.95
<u>B. Closing Stock</u>		
WIP Goods	159.46	101.67
Finished Goods / Stock in Trade	8,523.78	7,072.18
TOTAL (B)	8,683.25	7,173.85
<u>(INCREASE)/DECREASE IN STOCK</u>	TOTAL (A-B)	(1,509.40)
		(1,944.90)

PARTICULARS	2024-25	2023-24
22 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	1,773.95	1,932.48
Directors Remuneration	162.65	162.65
EX-GRATIA PAYMENT OF KEY MAN INSURANCE*	7.21	-
Contribution to Provident & Superannuation Fund	70.05	87.06
Group Gratuity Premium Expense	42.56	42.23
Staff Welfare Expenses	40.33	41.62
TOTAL	2,096.75	2,266.04

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

* Out of the three Keyman Insurance policies, the maturity amount for one policy was received by the company and accordingly recorded as "Other Income" in the Profit & Loss Account. The remaining two policies were assigned to the respective individuals, and as the pension is being directly received in their personal accounts, the company has squared off the related advances, and no further liability exists in the company's books.

Gratuity:

The employee gratuity fund is managed by "Life Insurance Corporation of India" & "SBI Life Insurance Company Ltd". The present value of obligation is determined based on actuarial valuation. The liability is fully funded.

(₹ in Lakhs)

PARTICULARS	2024-25	2023-24
22.1 Defined Benefit Plan		
Reconciliation of opening and closing balances of Defined benefit obligation		
Particulars		
Defined Benefit Obligation at beginning of the year	380.38	399.47
Add: Current service cost	32.89	40.94
Benefits Directly paid by the Employer	(0.40)	
Interest Cost	27.50	21.01
Actuarial (Gain)/Loss	2.22	(30.14)
Benefits paid	(47.10)	(50.90)
Defined Benefit Obligation at end of the year	395.49	380.38
Reconciliation of opening and closing balances of fair value of Plan Assets		
	Gratuity (Funded)	Gratuity (Funded)
Opening value	246.59	262.30
Contributions of Employer	1.86	2.66
Investment Income (calculated @ 6.54%, (P.Y. @ 7%) which is the discount rate)	17.83	19.72
Return on plan assets, excluding amount recognized in net interest expense	(0.23)	12.80
Benefits paid	(47.10)	(50.90)
Fair value of Plan Assets at end of the year	218.95	246.59
Return on plan assets, excluding amount recognized in net interest expense	(0.23)	12.80

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

PARTICULARS	2024-25	2023-24
Reconciliation of fair value of Assets and Obligations	Gratuity (Funded)	Gratuity (Funded)
Fair Value of Plan Assets	218.95	246.59
Present Value of Defined Benefit Obligation	395.49	380.38
Amount recognized in Balance sheet [Surplus/Deficit]	176.54	133.79
Expenses recognised during the year	Gratuity (Funded)	Gratuity (Funded)
In Income Statement		
Current Service Cost	32.89	40.94
Interest Cost	27.50	21.01
Investment Income	(17.83)	(19.72)
Net Cost	42.56	42.23
In Other Comprehensive Income		
Actuarial (Losses)/Gain	2.45	(42.94)
Net Income/(Expenses) for the year recognized in OCI	2.45	(42.94)
Actuarial Assumptions	Gratuity (Funded)	Gratuity (Funded)
Discount rate (per annum)	0.07	0.07
Expected rate of return on plan assets (per annum)	0.07	0.07
Rate of escalation in Salary(Per annum)	0.05	0.05
Rate of employee turnover(Per annum)	0.25	0.05

PARTICULARS	2024-25	2023-24
23 FINANCE COST		
Bank Charges	78.06	95.84
Term Loan Interest	737.91	340.69
Working Capital Interest	578.77	709.39
Interest on Unsecured Loan	132.08	100.81
Interest Paid to Suppliers of Goods	139.66	154.19
Bill Discounting Interest	50.38	76.06
Interest On Vehicle Finance	0.99	1.41
TOTAL	1,717.87	1,478.39

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

PARTICULARS	2024-25	2023-24
24 DEPRECIATION AND AMORTISATION EXP.		
Depreciation for the period	640.00	781.67
TOTAL	640.00	781.67

(₹ in Lakhs)

PARTICULARS	2024-25	2023-24
25 OTHER EXPENSES		
<u>Other Manufacturing Expenses</u>		
Consumable Stores (Refer Note No. 25.3 to 25.5)	241.91	351.23
Power and Fuel	917.96	1,123.68
Repairs - Plant & Machinery	89.65	81.86
- Buildings	29.78	22.66
Factory Expense	101.08	105.78
Job Charges	63.97	59.85
Wind Mill Exp.	126.61	139.24
TOTAL (A)	1,570.96	1,884.29
<u>Windmill Expenses</u>		
Lease Rent	3.06	3.40
Insurance	0.99	2.87
Repairs & Maintenance	119.31	117.84
Professional Expenses	1.22	1.18
Fees & Taxes	0.00	0.00
Term Loan Interest	2.03	13.95
	126.61	139.24
<u>Selling & Distribution Expenses</u>		
Tempo Freight and Octroi	59.58	77.37
Expected Credit loss Allowance	247.81	200.00
Advertisement Expense	16.07	21.26
Brokerage Expenses	15.72	35.32
TOTAL (B)	339.18	333.95

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

PARTICULARS	2024-25	2023-24
<u>Administrative & Other Expenses</u>		
Rent	1.63	1.63
Insurance	38.61	37.95
Director's Fees	3.00	3.30
* Donation	37.26	-
Electricity Expenses	11.49	11.65
Travelling and Conveyance Expenses	79.19	79.15
Postage and Telephone Expenses	14.93	21.26
Auditors Remuneration	7.80	7.30
Computer Expenses	8.17	9.18
Legal and Professional Expenses	123.20	146.57
Repair & Maintenance of Furniture & Off. Equip.	19.47	8.19
Printing and Stationary Expenses	5.53	8.34
General Expenses	10.00	14.84
TOTAL (C)	360.28	349.36
TOTAL (A+B+C)	2,270.42	2,567.60

* Donation made during the financial year- 2024-25 of Rs. 37.26 Lakhs includes Rs. 30.00 Lakhs contribution donated to a political party, which is in compliance with the Section 182 and other applicable provisions of the Companies Act, 2013.

PARTICULARS	2024-25	2023-24
25.1 Payment to Auditors as:		
(a) As an Auditor (Including Tax Audit Fees)	7.80	7.30
(b) Capacity in respect of :		
(i) Company Law Matter	-	-
(ii) Taxation Matter	-	-
(iii) Management Services	-	-
(iv) In any other manner	-	-
(v) Reimbursement of expenses	-	-

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

PARTICULARS	2024-25	2023-24
25.2 Expenditure in foreign currency (On Payment Basis)		
i) Foreign Travelling Expenses	4.02	5.55
ii) Consumables Stores	4.75	30.39
iii) Raw Materials	119.02	95.23
iv) Capital Goods	-	1.46
v) Export Commission	2.44	17.88
vi) Business Convention Expenses	-	4.51
PARTICULARS	2024-25	2023-24
25.3 PACKING MATERIAL		
Opening Stock	18.84	19.23
Purchase Indigenous	60.91	69.93
Purchase Imported	-	-
	79.74	89.16
Less : Closing Stock	21.43	18.84
TOTAL	58.31	70.32
PARTICULARS	2024-25	2023-24
25.4 CHEMICAL & OIL		
Opening Stock	17.09	24.96
Purchase Indigenous	52.23	89.85
Purchase Imported	-	-
	69.31	114.81
Less : Closing Stock	14.14	17.09
TOTAL	55.17	97.73

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

PARTICULARS	2024-25	2023-24
25.5 STORES		
Opening Stock	246.17	249.01
Purchase Indigenous	117.84	144.23
Purchase Imported	5.24	36.11
	369.26	429.35
Less : Closing Stock	240.83	246.17
TOTAL	128.43	183.18

PARTICULARS	For the year ended March 31, 2025	For the year ended March 31, 2024
25.6 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND		
Remittances by the company in foreign currencies for dividends (including amount credited to Non-Resident External Accounts):		
a) No. of Non-resident shareholders	4	5
b) No. of equity shares face value Rs.2/- (PY Rs.2)	2,82,345	3,43,460
c) i) Amount of Dividend Paid (Net) (Amount in Lakhs)	0.13	0.16
ii) Tax Deducted at Source (Amount in Lakhs)	0.03526	0.04289
iii) Year to which dividend relates	2023-24	2022-23

PARTICULARS	2024-25	2023-24
26 EARNINGS PER SHARE (EPS)		
1. Net Profit as per Profit and Loss Account available for Equity Shareholders (₹ in Lakhs)	349.86	398.16
2. Weighted average number of equity shares for Earning Per Share computation (Nos.)	8,93,02,450	8,93,02,450
3. Basic Earnings Per Share (in ₹)	0.39	0.45
4. Diluted Earnings Per Share (in ₹)	0.39	0.45
5. Face value per share	₹ 2	₹ 2

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

27 The ratios for the year ended March 31, 2025 and March 31, 2024 are as follows :

Sr. No.	Particulars	Numerator	Denominator	2025	2024	Variance in %
(a)	Current Ratio*	Current Assets	Current Liabilities	2.02	1.45	39.85%
(b)	Debt-Equity Ratio	Total Debt	Total Equity	1.26	1.29	-2.35%
(c)	Debt Service Coverage Ratio **	Earnings available for debt service	Debt Service	1.29	0.95	35.75%
(d)	Return on Equity Ratio	Profit for the year	Average Total Equity	3.36%	3.95%	-15.00%
(e)	Inventory turnover ratio ***	Sale of Goods and Jobwork Income	Average Inventory	2.64	4.17	-36.77%
(f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivable	1.90	2.28	-16.57%
(g)	Trade payables turnover ratio	Purchases and Other Services	Average Trade Payables	5.66	5.35	5.64%
(h)	Net capital turnover ratio ****	Revenue from Operations	Working Capital	2.68	5.03	-46.58%
(i)	Net profit ratio	Profit for the year	Revenue from Operations	1.52%	1.32%	14.58%
(j)	Return on Capital employed	EBIT (bank charges reduced)	Capital Employed	9.32%	8.42%	10.68%
(k)	Return on investment	Earnings from invested funds	Average invested funds in Treasury Investments	6.17%	5.11%	20.87%

* Current ratio is improved on account of significant reduction in trade payables

** Debt service coverage ratio is improved since considerable decrease in repayment liability due within 1 year

*** Inventory turnover ratio decreased due to increase in average inventory holding level even though decrease in revenue from operations

**** Net capital turnover ratio decreased since increase in net current assets even though decrease in revenue from operations

28 Related parties [Ind AS 24]

As per Ind AS-24 issued by the Institute of Chartered Accountants of India, the company's related parties are disclosed below:

- i. Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year
 - Fairdeal Textile Park Pvt. Ltd.
 - Fairdeal Eco Infra Pvt. Ltd.
 - Lotus Marketing
 - Autotech Non-Wovens Pvt. Ltd.
 - Shahlon Enterprises LLP

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

ii. Key Management Personnel (KMP):

a) Directors

- Shri Dhirajlal R. Shah- Chairman & Executive Director
- Shri Arvind R. Shah- Managing Director
- Shri Nitin R. Shah- Whole-Time Director
- Shri Rajendra Kundanlal Desai- Independent Director
- Smt. Richa Manoj Goyal- Independent Director
- Shri Vaibhav Jayantbhai Mehta- Independent Director

b) Company Secretary

- Shri Hitesh Garmora

c) Chief Financial Officer

- Shri Satish Shah

iii. Promoters:

Shri Dipan J. Shah

iv. Relatives of Key Management Personnel

- Shri Mahendra R. Shah
- Smt. Minaxi N. Shah
- Shri Dhruv A. Shah
- Shri Jayantilal R. Shah
- Smt. Avani A. Shah
- Smt. Kanchan D. Shah

28 RELATED PARTIES WHERE COMMON CONTROL EXIST AND TRANSACTION ENTERED INTO:

(₹ in Lakhs)

Sr. No.	Name of the Related Party	Nature of Transaction	Amount	Balance as on March 31, 2025	Amount	Balance as on March 31, 2024
1	Fairdeal Textile Park Pvt. Ltd. (Common Control of Key Managerial Personnel)	Effluent Treatment Charges Power Charges - (Worker's Hostel) Maintenance Charges Paid Leave & Licence Agreement (Worker's Hostel) Sales	0.81 3.72 17.70 1.93 0.03	NIL	3.54 3.74 17.96 1.93 -	NIL
2	FAIRDEAL ECO INFRA PRIVATE LIMITED (Common Control of Key Managerial Personnel)	Effluent Treatment Charges Sales	0.17 0.01	NIL	- -	NA

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

Sr. No.	Name of the Related Party	Nature of Transaction	Amount	Balance as on March 31, 2025	Amount	Balance as on March 31, 2024
3	Lotus Marketing (Common Control of Key Managerial Personnel)	Lease Rent Income Bill Disc. Int. Sales Purchase	52.00 - - 4.69	NIL	83.25 8.72 16.42 22.44	NIL
4	Autotech Non-Wovens Pvt. Ltd. Common Control of Key Managerial Personnel)	Sales Sales of Services Job Income Reimbursement of Expenses	28.62 3.58 6.91 14.69	6.53 Dr	1.99 75.34 7.16 14.96	4.34 Dr
5	Shahlon Enterprises LLP (Common Control of Key Managerial Personnel)	Sale Income Job Income Bill Disc. Interest Rent Income Purchase Job Charges	77.66 92.49 12.65 1.70 24.28 577.69	NIL	164.93 41.63 6.10 - 38.95 611.11	NIL
6	Shri Dhirajlal R. Shah (Key Managerial Personnel)	Key Management / Director's Remuneration Interest on Unsecured Loan Loan Taken Loan Repaid	54.22 4.57 278.85 279.80	6.39 Cr 9.16 Cr	54.22 3.85 193.40 192.10	3.22 Cr 9.47 Cr
7	Shri Arvind R. Shah (Key Managerial Personnel)	Key Management / Director's Remuneration Interest on Unsecured Loan Loan Taken Loan Repaid	54.22 4.61 264.20 230.20	6.39 Cr 45.25 Cr	54.22 4.24 201.80 280.45	3.23 Cr 10.92 Cr
8	Shri Jayantilal R. Shah (Relative of Key Managerial Personnel)	Remuneration as Head Accounts & Legal Interest on Unsecured Loan Loan Taken Loan Repaid	54.22 5.17 1,027.75 1,003.25	6.39 Cr 29.16 Cr	54.22 2.85 345.15 358.85	3.22 Cr 2.56 Cr
9	Shri Mahendra R. Shah (Relative of Key Managerial Personnel)	Remuneration as GM Operations Interest on Unsecured Loan Loan Taken Loan Repaid	42.22 6.63 397.90 406.70	5.26 Cr 27.17 Cr	42.22 1.73 226.60 197.60	2.66 Cr 31.56 Cr
10	Shri Dipan J. Shah (Belonging to Promoters Group)	Remuneration as GM Marketing Interest on Unsecured Loan Loan Taken Loan Repaid	54.22 13.58 551.25 569.25	6.27 Cr 44.22 Cr	54.22 5.08 195.65 205.05	3.11 Cr 54.58 Cr

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

Sr. No.	Name of the Related Party	Nature of Transaction	Amount	Balance as on March 31, 2025	Amount	Balance as on March 31, 2024
11	Shri Nitin R. Shah (Key Managerial Personnel)	Key Management / Director's Remuneration	54.22	6.30 Cr	54.22	3.14 Cr
		Interest on Unsecured Loan	5.68	39.61 Cr	10.52	19.47 Cr
		Loan Taken	455.00		786.45	
		Loan Repaid	430.50		812.45	
12	Smt. Minaxi N. Shah (Relative of Key Managerial Personnel)	Interest on Unsecured Loan	2.18	7.81 Cr	3.80	3.42 Cr
		Loan Taken	49.00		110.00	
		Loan Repaid	43.15		110.00	
13	Shri Dhruv A. Shah (Relative of Key Managerial Personnel)	Remuneration as Marketing Executive-Export	24.22	3.15 Cr	24.22	1.58 Cr
		Interest on Unsecured Loan	6.56	10.45 Cr	7.88	7.09 Cr
		Loan Taken	227.10		335.25	
		Loan Repaid	222.55		345.25	
14	Smt. AVANI A. SHAH (Relative of Key Managerial Personnel)	Interest on Unsecured Loan	11.58	47.52 Cr	0.69	0.62 Cr
		Loan Taken	307.25		17.50	
		Loan Repaid	270.15		17.50	
15	Smt. KANCHAN D. SHAH (Relative of Key Managerial Personnel)	Interest on Unsecured Loan	1.35	34.92 Cr	2.66	14.30 Cr
		Loan Taken	62.00		86.40	
		Loan Repaid	40.20		74.50	
16	Shri Satish Shah (Key Managerial Personnel)	Remuneration	18.08	1.87 Cr	16.73	1.04 Cr
17	Shri Hitesh Garmora (Key Managerial Personnel)	Remuneration	18.33	2.22 Cr	17.02	1.10 Cr
18	Shri Rajendra Desai (Independent Director)	Sitting fees	1.30	NIL	1.30	NIL
19	Shri Vaibhav Mehta (Independent Director)	Sitting fees	0.70	NIL	0.80	NIL
20	Smt. Richa Manoj Goyal (Independent Director)	Sitting fees	1.00	NIL	1.20	NIL

All related party transactions have been carried out at arm's length price and ordinary course of business.

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2025

29 Other Statutory Information

- 1 The title deeds of all the immovable properties classified as property, plant and equipment (PPE) including investment properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- 2 The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year.
- 3 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 4 The Company has been sanctioned working capital limits in excess of Rs. 5.00 crore, in aggregate, from bank on the basis of security of current assets; the quarterly returns and statements comprising stock and creditors statements, book debt statements and other stipulated financial information filed with such banks are not having material difference with the unaudited books of account of the Company, of the respective quarters and the differences are of reconciled nature.
- 5 The Company has not been declared as a willful defaulter by any lender who has powers to declare a company as a willful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.
- 6 The Company does not have any material transactions with companies struck-off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- 7 The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.
- 8 The Company does not have any subsidiary company. Hence, there is no Compliance required in respect of number of layers of companies.
- 9 The company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities(intermediaries),with the understanding that the intermediary shall; i. 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 ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 10 The Company has not received any funds from any person(s) or entity(ies),including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall; i. 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 ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 11 The Company does not have any transactions which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

12 The Company has not entered into any scheme of arrangement in terms of sections 230 to 237 of the Companies Act, 2013, which has an accounting impact on current or previous financial year.

13 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

As per our Report of even date

For H T K S & CO.

Chartered Accountants

CA HARISHANKAR TOSNIWAL

Partner

M.NO. : 055043

Firm Reg. No : 111032W

Place : Surat

Date : 27.05.2025

UDIN : 25055043BMGX7147

For and on behalf of the Board

Shahlon Silk Industries Limited

Dhirajlal R. Shah

Chairman

DIN : 00010480

Hitesh K. Garmora

Company Secretary

Place : Surat

Date : 27.05.2025

Arvind R. Shah

Managing Director

DIN : 00010483

Satish H. Shah

Chief Financial Officer

Notes to Financial Statements for the Year ended on 31st March, 2025

Company Overview and Notes to the financial statements

I) CORPORATE INFORMATION:

Shahlon Silk Industries Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956; now referred as Companies Act, 2013. The registered office is situated at Plot No. 5, C.S. Nondh No. 451/A, R.S. No. 33/1 paiki, Near Narendra Dyeing Mill, Behind Old Sub-Jail, Khatodara, Ring Road, Surat - 395002. The equity shares of the company are listed on the BSE Limited in India.

The Company is mainly engaged in the business of manufacturing of fabric on water jet looms, air jet looms & rapier looms and various yarn preparatory activities like sizing, texturizing, yarn dyeing, twisting, crape, ply yarn etc. and trading of yarn & fabrics. The company is also engaged into an agency business with Reliance Industries limited for sale of yarn. The company caters to both domestic and international markets.

II) MATERIAL SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

(I) Compliance with Ind AS

The Financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, the provisions of the Companies Act, 2013 ("the Act") as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI").

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing

accounting standard requires a change in the accounting policy hitherto in use.

The Financial Statements were approved and authorized for issue in accordance with the resolution of the Company's Board of Directors on 27th May, 2025.

(ii) Historical cost convention

These financial statements have been prepared on a historical cost convention basis, except for the following material items which have been measured at fair value as required by relevant Ind AS;

- The defined benefit asset (liability) is as the present value of defined benefit obligation less fair value of plan assets and
- Financial instruments classified as fair value through other comprehensive income.

(iii) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

Notes to Financial Statements for the Year ended on 31st March, 2025

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months. However, for the purpose of current/non-current classification of assets & liabilities period of 12 months has been considered as normal operating cycle.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee – lakhs upto two decimals as per the requirement of Schedule III except number of shares and per share data, unless otherwise stated.

(v) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of

changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

In particular, information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in financial statements are included in the following notes:

- Useful lives of Property, plant and equipment
- Measurement of defined benefit obligations
- Provision for inventories
- Measurement and likelihood of occurrence of provisions and contingencies
- Deferred taxes

(B) Inventories: [Ind AS 2]

Inventories are assets:

- Held for sale in the ordinary course of business
- In the process of production for such sale
- In the form of materials or supplies to be consumed in the production process or in the rendering of services.

Measurement of Inventory

Inventories consist of raw materials, stores & spares, work-in-progress, finished goods, Stock-in-trade are stated 'at lower of cost and net realizable value' except for raw materials and traded goods which is valued at cost.

Cost of Inventories

Cost comprises of all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula/ method for valuation

Notes to Financial Statements for the Year ended on 31st March, 2025

used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

Net Realisable Value

Net Realizable Value (NRV) is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Estimate of net realizable value must be based on the most reliable evidence available and take into account fluctuations of price or cost after the end of the period, if this is evidence of conditions existing at the end of the period.

The Cost and net realizable value has been compared for each separately identifiable item of inventory, or group of similar inventories, rather than for inventory in total.

(C) Cash flow statement [Ind AS 7]

Cash flows are reported using the Indirect Method, as set out in Ind AS 7 'Statement of Cash Flow', whereby profit/loss for the year is adjusted for the effects of transaction of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(D) Property, Plant and Equipment (PPE): [Ind AS 16]

Recognition and Measurement

Items of Property, plant and equipment acquired or constructed are initially recognized at historical cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management.

The historical cost of Property, plant and equipment comprises of its

- purchase price including import duties and non-refundable purchase taxes,

- borrowing costs directly attributable to the qualifying asset in accordance with accounting policy on borrowing cost,
- the cost of dismantling, removing the item and restoring the site on which it is located and
- Adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use.

Freehold land is carried at cost. The company has taken certain land on lease for period of 99 year and no amortization provided on these assets.

Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Advances paid towards the acquisition of PPE outstanding at each Balance Sheet date is classified as capital advances under 'Other non-current assets' and cost of assets not put to use before such date are disclosed under 'Capital work-in progress'. The Company identifies and determines cost of each component of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful lives that is materially different from that of the remaining plant and equipment.

Machinery spares which meet the criteria of PPE is capitalised and depreciated over the useful life of the respective asset.

Depreciation methods, estimated useful lives and residual values

Depreciation is provided on written down value method based on the respective estimate of useful lives.

Notes to Financial Statements for the Year ended on 31st March, 2025

Depreciation is provided based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013. Management believes that useful lives of assets are same as those prescribed in Schedule II to the Act.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

(E) Income Taxes (Ind AS 12)

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is based on the taxable profit for the year which may differ from 'profit or loss before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the current tax assets and current tax liabilities relate to income taxes levied by the same tax authority.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of

assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of any unused tax losses, to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for all taxable temporary differences, except: In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. A deferred tax liability is recognized based on the expected manner of realization or settlement

Notes to Financial Statements for the Year ended on 31st March, 2025

Deferred Tax Assets recognized in the Statement of Profit and Loss for the year ended 31.03.2025:

Sr. No.	Particulars	Amount (In ₹)
1.	Opening Balance of DTL as on 01-04-2024	114.30
2.	Less: Deferred Tax Assets of the period	(82.73)
3.	Closing Balance of DTL as on 31-03-2025	31.57

(F) Revenue from Contracts with Customers: [Ind AS 115]

- Revenue from contract with customer is recognized when control of Goods or services are transferred to the buyer as per the terms of the contract; the entity retains neither continuing managerial involvement nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the entity; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.
- Export sales are accounted when the goods have left the premises or when the goods are received by the customers and terms are fulfilled at the exchange rate prevailing on the date of invoice. These are net of commission and do not include freight wherever applicable as per the terms of the sales contract.
- Revenue from job work is recognized on completion of the work and at the time when no significant uncertainty exists as to its determination and realization.
- Late payment charges are recognized on the ground of prudence as and when recovered.
- Commission income is recognized when the Company satisfies the performance

obligation, at fair value of the consideration received or receivable based on a five- step model as set out below:

Step 1:

Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2:

Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3:

Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4:

Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5:

Recognize revenue when (or as) the Company satisfies a performance obligation.

Notes to Financial Statements for the Year ended on 31st March, 2025

(G) Employee Benefits: [Ind AS 19]

Short-term employee benefits

These are liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related employee service. The undiscounted amount of short-term employee benefits expected to be paid in exchange for that service is recognised as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, an entity shall recognise that excess as an asset (prepaid expense) or else recognised as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

Post-employment obligations

The Company operates the following postemployment schemes:

- (a) defined benefit plans such as gratuity and pension; and
- (b) defined contribution plans such as provident fund etc.
- (c) Other Employee Benefits

(a) Defined Benefit Plans

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan in India (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from company as and when it becomes due and is paid as per company scheme for Gratuity.

The Company's obligation in respect of the gratuity plan is provided for based on actuarial valuation using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes. Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

Characteristics of Defined Benefit Plan:

The Entity has a defined benefit gratuity plan in India (funded). The Entity's defined benefit gratuity plan is a final salary plan for employees, which requires contribution to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy. During the year, there were no plan amendments, curtailments and settlements.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in salary of the members more than assumed level will increase the plan's liability.

Notes to Financial Statements

for the Year ended on 31st March, 2025

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay- out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

(b) Defined Contribution Plans

Contributions to defined contribution schemes such as employees' state insurance, provident fund, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

The Company is a member of recognized Provident Fund scheme established under The Provident Fund & Miscellaneous Act, 1952 by the Government of India. The contribution paid or payable under the scheme is recognized during the period under which the employee renders the related services. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions. Thus, the amount of

the post-employment benefits received by the employee is determined by the amount of contributions paid by an entity (and perhaps also the employee) to a post-employment benefit plan or to an insurance company, together with investment returns arising from the contributions; and actuarial risk and investment risk falls on the employee.

(c) Other Employee Benefits

Other employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided.

(H) Foreign Currency: [Ind AS 21]

Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is the company's functional and presentation currency.

Foreign currency transactions

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.
- Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.
- Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.
- Exchange difference arising on settlement of monetary items or reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

Notes to Financial Statements

for the Year ended on 31st March, 2025

(I) Financial instruments: [Ind AS 109]

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

Financial assets:

Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortized cost.

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

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit and Loss are expensed in the Statement of Profit and Loss.

Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through Profit and Loss), or
- amortized cost.

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured

at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in the Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value through Other Comprehensive Income (FVOCI):

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

Fair Value through Profit and Loss (FVTPL):

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is recognized in the Statement of Profit and Loss.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the company changes its business model for managing financial assets.

Notes to Financial Statements for the Year ended on 31st March, 2025

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Debt instruments

Debt instruments are subsequently measured at amortized cost on the basis of:

- (i) the entity's business model for managing the financial assets and
- (ii) the contractual cash flow characteristics of the financial asset.

De-recognition

A financial asset shall be derecognized only when:

- (a) the contractual rights to the cash flows from the financial asset expire, or
- (b) it transfers the financial asset and the transfer qualifies for de-recognition.
- (c) On de-recognition of a financial asset, the difference between:
 - a. the carrying amount (measured at date of de-recognition); and
 - b. the consideration received shall be recognized in Statement of Profit and Loss.

Note:

On de-recognition of Investments, the cumulative balance of OCI account related to those investments is been transferred to general reserve.

Impairment of financial assets

In accordance with Ind AS 109, the company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets that are equity instruments and are measured as at FVTOCI.
- c) Lease receivables under Ind AS 17.
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Notes to Financial Statements for the Year ended on 31st March, 2025

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Equity instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The fair value of investments as on 31.03.2025 and 31.03.2024 are as follows:

(₹ in Lakhs)

Particulars	Fair Value as on 31.03.2025	Fair Value as on 31.03.2024
Investment		
Mutual Fund:		
Aditya Birla Sun Life Money Manager Fund	82.93	N.A.

Notes to Financial Statements for the Year ended on 31st March, 2025

The fair values of the investments are adjusted as per closing rate quoted in active market through Profit and Loss statement.

Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue/origination of the financial liability.

Preference Shares being redeemable at fixed date and having right of cumulative dividend are considered as financial liability.

Subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of Profit and Loss.

De-recognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(J) Earnings Per Share: [Ind AS 33]

Basic and Diluted earnings/(loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the board of directors.

Calculation of EPS as appearing in Statement of Profit and Loss Account:

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
(I)	Net profit/(loss) as per Profit & Loss A/c* (₹ In Lakhs)	349.86	398.16
(ii)	Net Profit/(loss) adjusted from reserves	-	-
(iii)	Net Profit Attributable to ordinary Shareholders [(i)+(ii)] (Rs. In Lakhs)	349.86	398.16
(iv)	Weighted average number of shares for Basic	8,93,02,450	8,93,02,450
(v)	Earnings per share		
(vi)	Weighted average number of shares for Diluted	8,93,02,450	8,93,02,450
	Earnings per share		
(viii)	Nominal value per share	2	2
(ix)	Basic earnings per share	0.39	0.45
(x)	Diluted earnings per share	0.39	0.45

Notes to Financial Statements for the Year ended on 31st March, 2025

- * The fair value of cash and cash equivalents, trade receivables, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long-term debt and investment in fixed deposit have been contracted at market rates of interest. Accordingly, the carrying value of such instruments approximates their fair value.

(K) Fair value measurement [Ind AS 113]

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1 - Quoted (unadjusted) prices in active market for identical assets or liabilities. Investments in Quoted Shares are valued as per quoted price in active market.
- Level 2 - (Inputs other than quoted prices included in Level 1) Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which

are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

(L) Cash and cash equivalents:

For the purpose of presentation in the Statement of Cash Flows, Cash and Cash Equivalents includes Cash on hand, balance with banks and demand deposits with banks and other short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(M) Provisions and Contingent Liabilities: [Ind AS 37]

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

Notes to Financial Statements for the Year ended on 31st March, 2025

Contingent Liabilities:

Sr. No.	Particulars	As at 31st March, 2025	As at 31st March, 2024
(I)	Contingent Liabilities		
	(A) Claims against the company/disputed liabilities not acknowledged as debts:		
	(i) Demand under Rule 16A of the Drawback Rules, 1995 for A.Y. 2015-16.	2.58	2.58
	(ii) Excise demand of duty amounting of Rs.8.06 Lakhs under section 11A(10) of Central Excise Act, 1944 and interest on such duty under section 11 AA of Central Excise Act, 1944; and imposed penalty of 1.55 Lakhs upon appellant under Section 11AC(1) (a) of Central Excise Act, 1944 which is under litigation Company has filed appeal with CESAT on account of dispute.	9.61	9.61
	(iii) GST demand in dispute / under appeal for FY 2017-18.	234.93	NIL
	(iv) GST demand in dispute / under appeal for FY 2017-18 to FY 2019-20.	2.32	NIL
	(B) Guarantees*		
	(i) Counter guarantees given to banks	NIL	NIL
	(ii) Bank guarantee provided to DGFT/Custom Authorities to secure machineries under EPCG Scheme	32.23	32.23
	(C) Other Money for which the company is contingently liable		
	(i) Liability in respect of bills discounted with Banks (Including third party bills discounting)	NIL	NIL
(II)	Commitments		
	(A) Estimated amount of contracts remaining to be executed on capital account and not provided for the year	NIL	NIL

Notes to Financial Statements for the Year ended on 31st March, 2025

Dakshin Gujarat Vij Company Ltd. has raised demand of cross subsidy surcharges for the financial year 2005-06 of 66.73 lakhs vide its show cause notice / letter no. DGVLC&R/ CPP/Cross-Sub.Surch/08/2821 dated 05-06-2008 to Shahlon Industrial Infrastructure Pvt. Ltd, which is merged with Shahlon Silk Industries Ltd. The amount payable is under Dispute. Shahlon Industrial Infrastructure Pvt. Ltd., one of the transferor Company which is merged with Shahlon Silk Industries Ltd. has received notice from collector of electricity duty demanding electricity duty @15% on supply of electricity to its members, whereas the said company has paid electricity duty 0.40 paisa per unit considering power generation is for captive purpose. The amount payable is under dispute.

Contingent assets

Contingent assets are neither recognized nor disclosed in the financial statement.

Provisions, Contingent Liabilities and Contingent assets are reviewed at each balance sheet date.

(N) Government Grants: [Ind AS 20]

Grants and subsidies from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants relating to purchase of property, plant and equipment are included in the non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

As per the Second Amendment Rules 2018 notified by MCA on 20th September, 2018 amending IND-AS 20 - Government Grants, an alternative is provided to reporting entities whereby government grant related to assets can be presented by deducting the value of grant from the carrying amount of asset. The said amendment is applicable effective from reporting period beginning on or after 1st April, 2018.

(O) Intangible assets (Excluding Goodwill): [Ind AS 38]

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the assets can be measured reliably.

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

(P) Impairment of non-financial assets - property, plant and equipment and intangible assets: [Ind AS 36]

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use.

Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Notes to Financial Statements for the Year ended on 31st March, 2025

(Q) Finance Cost: [Ind AS 23]

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset. A Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying asset is deducted from the borrowing cost eligible for capitalization. All Other borrowing costs are charged to statement of profit and loss for the period in which they are incurred.

(R) Leases: [Ind AS 116]

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leased assets:

The company has acquired 99 years leasehold right of Plot no.: Composite unit 1 and 2 & Plot No. 3, 4, 5A and 15, Fairdeal Textile Park, Village: Mahuvej, Taluka: Mangrol, Dist.: Surat, by subscribing to the shares of Fairdeal Textile Park Pvt. Ltd. All the risk and rewards of the leasehold land has been transferred to the Company. The life of leasehold land has been considered beyond estimate because of the period of lease being 99 years and renewable thereafter gives the Company ownership of the plot in perpetuity.

The leasehold land has been recognized at Nil value and the value by virtue of which the

Company acquired the leasehold right has been recognized non-current at their historical cost.

Operating lease payments are recognized as an expense. Further, there is no outstanding lease contract which requires the treatment to recognize the right to lease asset and lease liability.

(S) Earning in foreign exchange: F.O.B. values of exports Rs. 1,536.69/- lakhs (Previous Year Rs. 1,765.43 lakhs).

(T) Sales/Purchase included inter-divisional transfers of NIL (Pre. Year NIL).

(U) Debtors of Rs. 9,727.50 lakhs include Rs. 6.53 lakhs (Previous Year Rs. 14,544.06 lakhs include Rs.4.34 lakhs) due from concern in which Directors are interested.

III. Rotation of Statutory Auditor:

As per the provisions of Section 139(2) of the Companies Act, 2013 and the rules made thereunder, the tenure of M/s Rasesh Shah & Associates, Chartered Accountants (Firm Registration No. 108671W), as Statutory Auditors of the Company ended upon completion of two consecutive terms of five years each at the conclusion of the Annual General Meeting held on 30th September, 2024.

Based on the recommendation of the Audit Committee and Board of Directors of the Company, the Shareholders of the Company has approved the appointment of M/s. HTKS & Co., Chartered Accountants (Firm Registration No. 111032W), as the Statutory Auditors of the Company to hold the office for a term of five consecutive years from the conclusion of the said AGM of the Company till the conclusion of 21st AGM of the Company, which will be held in Financial year 2029-2030.

IV. Payment to Auditors:

(₹ in Lakhs)

Sr. No.	Particulars	Current Period	Previous Year
(a)	Audit Fees (Statutory Audit + Tax Audit)	7.80	7.30
(b)	Cost Audit	0.32	0.32

Notes to Financial Statements for the Year ended on 31st March, 2025

V. Disclosure relating to Corporate Social Responsibility ('CSR')

During the financial year 2024-25, provisions relating to CSR become applicable to the company as the company has crossed the threshold limit as stipulated under section 135 of the Companies Act, 2013 and

therefore, was required to spend Rs. 7,05,000/- (Rupees Seven Lakhs Five Thousand Only) towards CSR activities. However, upon recommendation of the CSR committee, the Board of the approved Rs. 7,25,000/- (Rupees Seven Lakhs Twenty-Five Thousand Only) towards CSR activities. The further details are as follows:

(₹ in Lakhs)

Particulars	2024-25
Aggregate net profits of last three financial years as per Section 198 of the Companies Act, 2013	1056.97
Average of net profits	352.32
(i) Amount required to be spent by the Company during the year	7.05
(ii) Amount spent towards CSR Activities during the year on:	
(a) Construction/Acquisition of asset	-
(b) On purposes other than (a) above	7.25
(iii) Shortfall at the end of the year	-
(iv) Reasons for Short fall	N.A.
(v) Nature of CSR Activities	Promotion of Education & Medical Activity
(vi) Details of related party transactions	-

Further, during the financial year 2023-24, provisions relating to CSR were not applicable to the Company.

Notes to Financial Statements for the Year ended on 31st March, 2025

VI. Dividends

(₹ in Lakhs)

Particulars	2024-25	2023-24
(i) Final Dividend paid on Equity Shares	53.58	53.58
Final Dividend paid for the year March 31, 2024 ₹ 0.06 per share (March 31, 2023 ₹ 0.06/-) per share of ₹ 2/- each		

(ii) Dividends not recognised at the end of the reporting period

The Board of Directors at its meeting held on May 27, 2025 proposed a final dividend for the financial year 2024-25 of ₹ 0.07 per equity share of ₹ 2/- each. Subject to the approval of the shareholders in the upcoming Annual General Meeting. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 62.51 Lakhs

VII. Previous year's figures have been regrouped and recasted wherever necessary.

As per our Report of even date

For H T K S & CO.

Chartered Accountants

CA HARISHANKAR TOSNIWAL
Partner

M.NO. : 055043

Firm Reg. No : 111032W

Place : Surat

Date : 27.05.2025

UDIN : 25055043BMGX7147

For and on behalf of the Board

Shahlon Silk Industries Limited
Dhirajlal R. Shah

Chairman

DIN : 00010480

Hitesh K. Garmora

Company Secretary

Place : Surat

Date : 27.05.2025

Arvind R. Shah

Managing Director

DIN : 00010483

Satish H. Shah

Chief Financial Officer

