



Shahlon
Silk Industries Ltd.

ANNUAL REPORT

2023 – 2024





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.

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Board Of Directors

Shri. Dhirajlal R. Shah (Chairman)

Commerce Graduate having past experience of more than 40 years in the textile business.

Shri. Rajendra K. Desai (Independent Director)

A qualified CA with as experience of more than 31 years in field of project finance, audit, accounts and taxation.

Shri. Arvind R. Shah (Managing Director)

Science Graduate having vast experience of around 37 years in the textile business.

Shri. Vaibhav J. Mehta (Independent Director)

Textile Technology (Engineer), he has relevant experience of 25 years in textile industry.

Shri. Nitin R. Shah (Whole-time Director)

Commerce Graduate having vast experience of around 36 years in the textile business.

Smt. Richa M. Goyal (Woman Independent Director)

She is a Law graduate and fellow member of the Institute of Company Secretaries of India. Having more than 20 years of experience in the area of corporate laws and trademarks and copyrights and Goods and service tax.



Corporate Information



COMPANY SECRETARY

CS Hitesh Kantilal Garmora

CFO

Shri. Satish H. Shah

AUDITORS

M/s. Rasesh Shah & Associates,
Chartered Accountants, Surat.

SECRETARIAL AUDITOR

CS Bhairav H. Shukla,
Practicing Company Secretary

BANKERS

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

REGISTRARS AND SHARE TRANSFER AGENTS

Bigshare Services Private Limited

A/802, Samudra Complex, Near Klassic 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

Fax No. (0261) 2635551

E-mail: info@shahlon.com

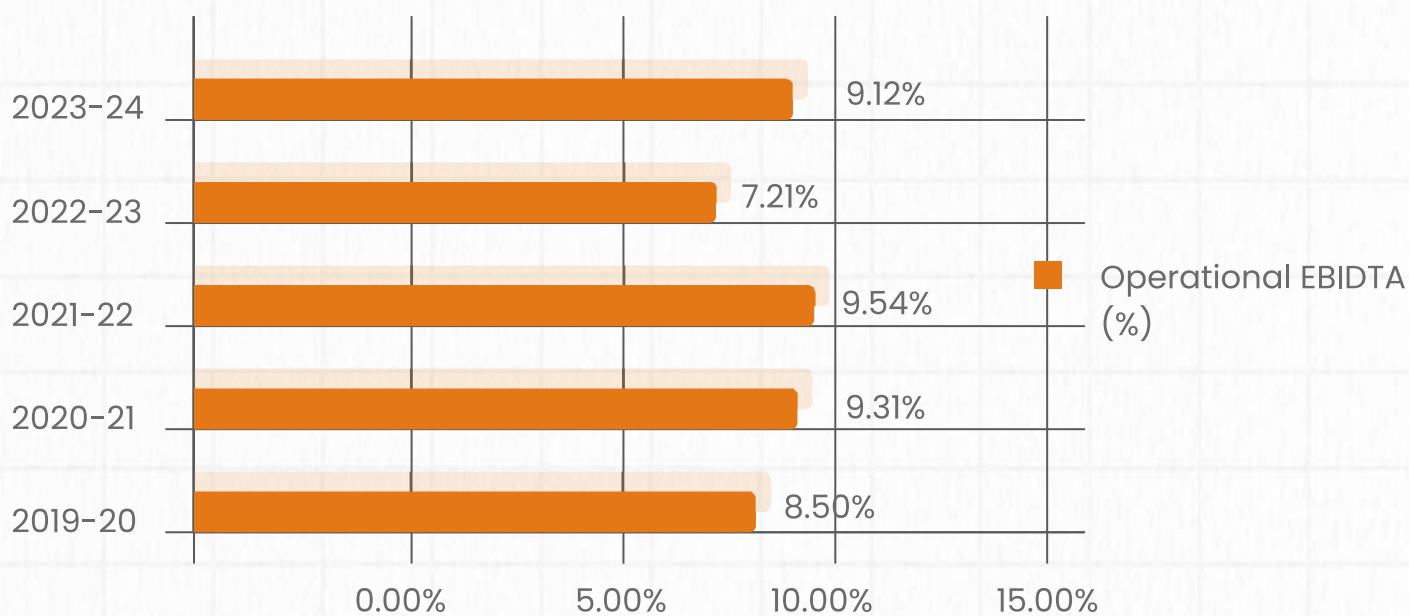
Website: www.shahlon.com

ISIN for NSDL & CDSL

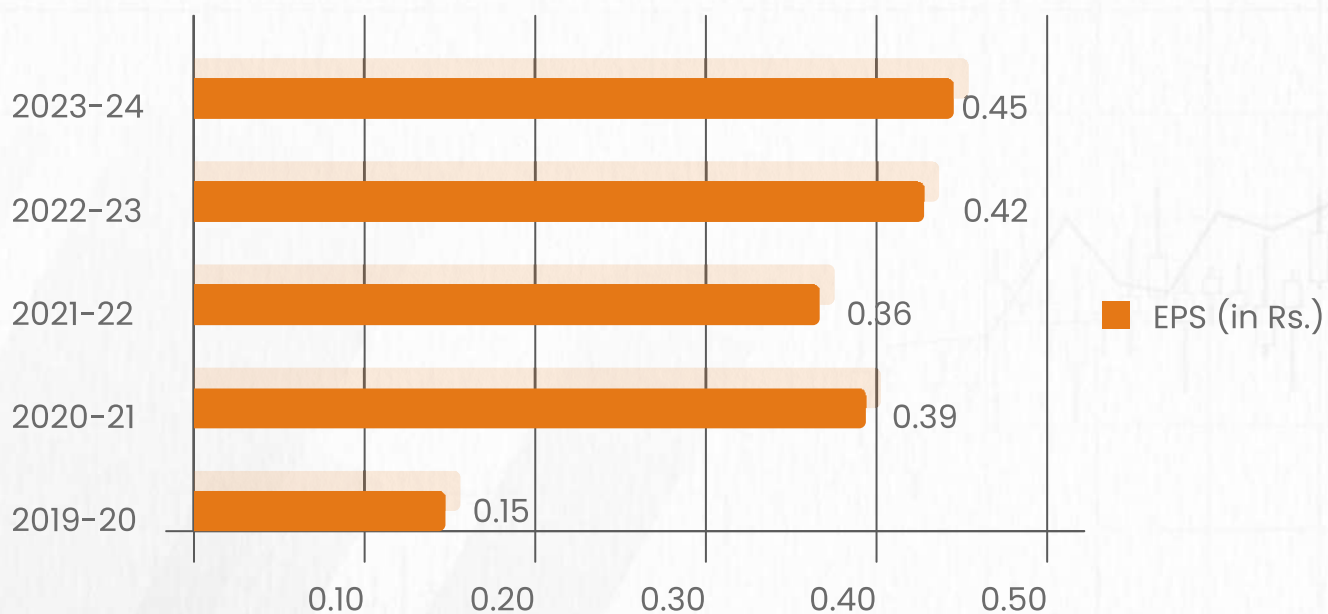
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FINANCIALS

Operational EBIDTA (%)

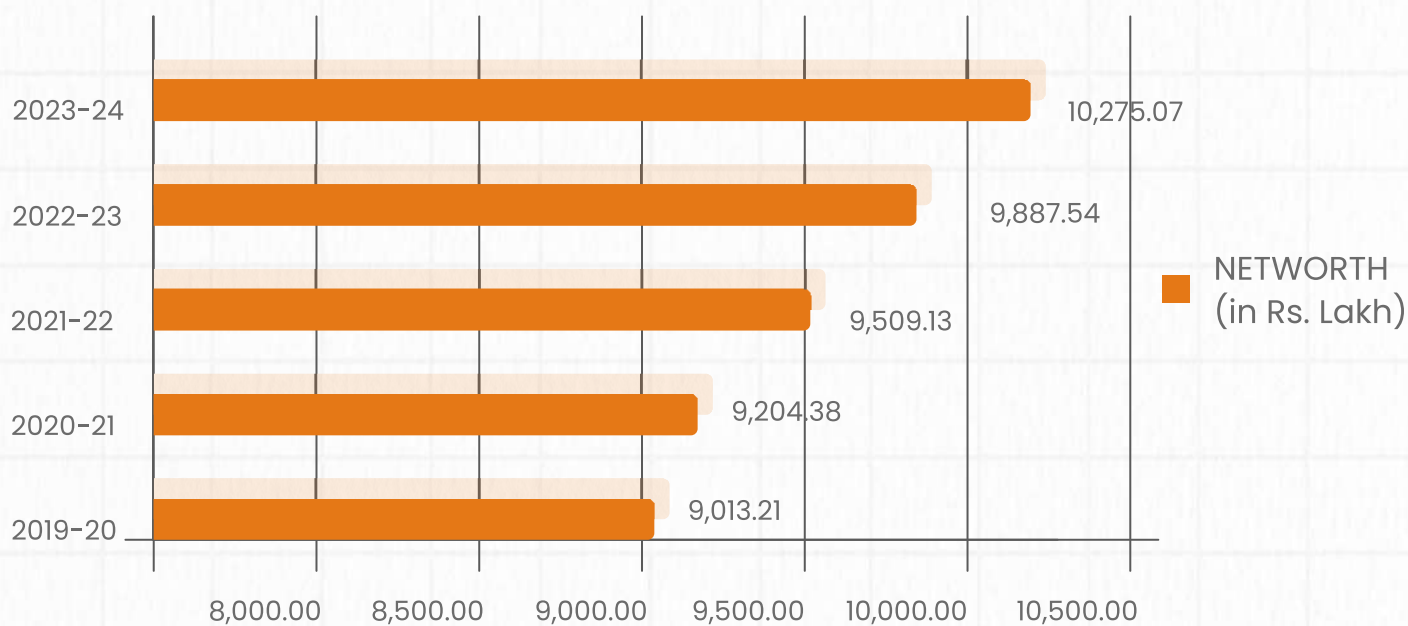


EPS (in Rs.)

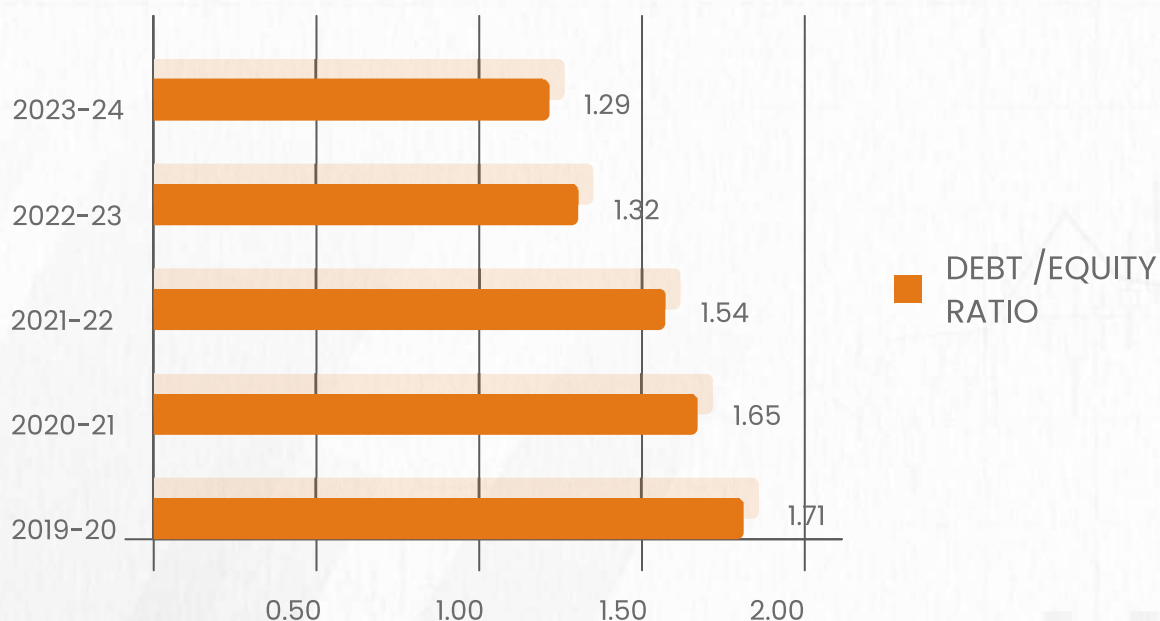


FINANCIALS

NETWORTH (in Rs. Lakh)



DEBT /EQUITY RATIO



NOTICE

Notice is hereby given that the 16th Annual General Meeting of members of SHAHLON SILK INDUSTRIES LIMITED will be held on **MONDAY, 30th day of September, 2024, at 11:00 A.M.** through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business. 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:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2024, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend of Rs.0.06/- per Equity Share for the financial year ended 31st March, 2024.
3. To appoint a Director in place of Shri Nitin R. Shah (DIN 00010487), Director who retires by rotation and being eligible, offers himself for re-appointment.
4. **TO RATIFY THE REMUNERATION PAYABLE TO COST AUDITORS:**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, 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 as Cost Auditors to conduct the audit of the cost records of the Company pertaining to textile product for the financial year ending 31st March, 2025, amounting to Rs.30,000/- (Rupees Thirty Thousand) as also the payment of taxes as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid 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."

5. **APPOINTMENT OF M/S. HTKS & CO., CHARTERED ACCOUNTANTS (REGISTRATION NO. 111032W) AS STATUTORY AUDITOR OF THE COMPANY AND TO FIX THEIR REMUNERATION:**

To appoint M/S. HTKS & Co., Chartered Accountants (Registration No. 127226W) as Statutory Auditor of the Company for the period of Five years commencing from the conclusion of this Annual General Meeting till the conclusion of the 21st Annual General Meeting of the Company to be held in the year 2029 on such remuneration as mutually agreed by and between the board of directors of the company and the Auditor of the company; and in this regard and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of Audit Committee and the Board of Directors, M/s. HTKS & CO., Chartered Accountants (Firm Registration No. 111032W) be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a term of five consecutive years from the conclusion of the 16th Annual General Meeting (AGM) until the conclusion of the 21st AGM of the Company, on such remuneration as may be mutually agreed upon between the board of directors and the statutory auditors."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do all such acts, deeds, matters and things, as may be necessary and expedient for the purpose of giving effect to this resolution."

By Order of Board of Directors of
Shahlon Silk Industries Limited

Place : Surat

Date : 14/08/2024

Hitesh K. Garmora
Company Secretary

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 and General Circular No. 10/2022 dated 28th December, 2022 (hereinafter collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/PoD-2/P/CIR/2024/4 dated January 5, 2024 (hereinafter collectively referred to as "SEBI Circulars"), 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 15th 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. 27** 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 2023-24 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. The Notice of the AGM along with the Annual Report for Financial Year ended 2023-24 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, Shri Nitin R. Shah (DIN 00010487), 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. Shri Nitin R. Shah is interested in the Item No. 3 of the Notice with regard to

his re-appointment. Shri Arvind R. Shah, Managing Director and Shri Dhirajlal R. Shah, Director, being related to Shri Nitin R. Shah, may be deemed to be interested in the Item No. 3 of the Notice. The other relatives of Shri Nitin R. Shah, Shri Arvind R. Shah and Shri Dhirajlal 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, 21st September, 2024 to 30th September, 2024 (both days inclusive)** for the purpose of payment of Dividend for financial year ended 31st March, 2024 and the 16th 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, 20th September, 2024**.
13. Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched on or after **30th September, 2024** 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, 20th September, 2024**; and
 - b. to all those shareholders holding shares in physical form whose names stand on the Register of Members as on **Friday, 20th September, 2024**.
14. Pursuant to 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, 20th September, 2024**. Shareholders are requested to note that in case their PAN is not registered, 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 **20th September, 2024** 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 **20th September, 2024**. 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 2015-16, 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, 2023 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 2016-17 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 2016-17 and thereafter:

Financial Year	Date of Declaration of Dividend	Dividend Payment	Due Date for transfer to IEPF
2016-2017	29/09/2017	12.5%	05/11/2024
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

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 2022-23, 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 2023-24 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 25/08/2024, for taking appropriate action. The Statement of details of such Shareholders and Shares due for transfer to IEPF Authority during the financial year 2023-24 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 Shri Bhairav H. Shukla, Practicing Company Secretary (Membership No. FCS 6212) 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. **Monday, 30th September, 2024.**
- 26. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING JOINING ANNUAL GENERAL MEETING THROUGH VC/OAVM ARE AS UNDER:**
- I. 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.
- II. 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.

- III. The voting period begins on **27th September, 2024 (9.00 a.m.)** and ends on **29th September, 2024 (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 (record date) of **23rd September, 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- IV. 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.
- V. 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.

- (I) 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	<ol style="list-style-type: none"> 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 www.cdslindia.com and click on Login icon and select New System Myeasi 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 & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 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

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. 18002109911.
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.

(ii) 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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)	<p>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.</p> <ul style="list-style-type: none"> 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.

(iii) After entering these details appropriately, click on "SUBMIT" tab.

(iv) 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.

(v) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(vi) Click on the EVSN for the relevant <SHAHLON SILK INDUSTRIES LIMITED> on which you choose to vote.

(vii) 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.

(viii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(ix) 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.

(x) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xii) 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.

(xiii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xiv) 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.
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 at least **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.

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.

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.

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. 18002109911.

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) 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. 18002109911.

- VI. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holds shares as of the cut-off date i.e. **23rd September, 2024**, may obtain the login ID and password by sending a request to helpdesk.evoting@cdslindia.com. However, if person is already registered with CDSL for e voting then existing User ID and password can be used for casting vote.

By Order of Board of Directors of
Shahlon Silk Industries Limited

Place : Surat

Date : 14.08.2024

Hitesh K. Garmora
Company Secretary

ANNEXURE TO THE NOTICE

Information about Director/s seeking Re-appointment at the Annual General Meeting 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)} AND

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

ITEM NO. 3 OF THE NOTICE

As regards re-appointment of Shri Nitin R. Shah referred to in Item No. 3 of the notice, 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;

Shri. Nitin R. Shah is a commerce graduate aged about 63 years is having vast experience of around 38 years in the textile business. He looks after technical and product development functions of the organization. He manages team of qualified technical persons having an experience in textile field. The employees are rich in experience and also have good knowledge of installation of various textile machineries in the company.

Name of Director	Shri Nitin Raichand Shah
DIN	00010487
Date of Birth	January 13, 1961
Date of Appointment	September 03, 2018
Qualification	Commerce Graduate
Shareholding in the Company as on June 30,2024	85,86,280 (9.61%) Equity shares of Rs.2/-each
Directorship held in other listed companies	NIL
List of Listed Entity from which he has resigned as a Director in the past three years	NIL
Membership of Committees of board held in other listed companies	NIL
Remuneration last drawn	Rs. 4,50,000/- Per Month
Disclosure of Relationships between Directors inter-se	He is the brother of Shri. Dhirajlal Shah, Chairman and Shri. Arvind R. Shah Managing Director of the Company.
Number of Meetings of Board attended during the financial year 2023-2024	Attended Six (6) Board Meetings out of Four (6) Board Meetings held during the year.

ITEM NO. 4 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 taxes as applicable and reimbursement of out-of-pocket expenses payable 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 31st March, 2025.

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.

Accordingly, consent of the members is sought by way of an Ordinary Resolution as set out at item No.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2025.

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.

ITEM NO. 5 OF THE NOTICE

The Members of the Company at the 11th Annual General Meeting (AGM) held on 30th August 2019 had approved the appointment of M/s Rasesh Shah & Associates, Chartered Accountants, (Registration No.108671W) as the Statutory Auditors of the Company to hold office for a second term of 5 (five) consecutive years from the conclusion of said AGM till the conclusion of the 16th AGM. They will complete their present term on conclusion of this AGM.

The Board of Directors of the Company ("the Board"), at its meeting held on 12th August 2024 has, considering the experience and expertise and on the basis of recommendation of the Audit Committee, proposed to the Members of the Company appointment of M/s. **HTKS & Co.**, Chartered Accountants (Firm Registration No. **111032W**), as Statutory Auditors of the Company in place of Retiring Auditors M/s Rasesh Shah & Associates, Chartered Accountants, for a term of 5 (five) consecutive years from the conclusion of 16th AGM till the conclusion of the 21st AGM on payment of such remuneration as may be mutually agreed upon between the Board of Directors and the Statutory Auditors, from time to time.

M/s. **HTKS & CO.**, Chartered Accountants have provided their consent under Section 139 of the Companies Act, 2013 for appointment as Statutory Auditors along with a certificate stating that their appointment will be as per the criteria as specified under Section 141(3) of the Companies Act, 2013.

Details as required under Regulation 36(5) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 are as under:

The proposed remuneration to be paid to the Auditors for the financial year 2024-25 shall not exceed Rs. 7.30 Lakhs (Rupees Seven Lakhs Thirty Thousand Only). plus applicable taxes and out of pocket expenses, with the

authority to the board to make revisions as deem fit for the balance term, based on the recommendation of the audit committee.

There is no material change in the remuneration proposed to be paid to Auditors for the financial year 2024-25 and the remuneration paid to the Retiring/Outgoing Auditors for the financial year 2023-24.

The Audit Committee and the board of Directors, while recommending the appointment of M/S. **HTKS & CO.**, as the statutory Auditor of the company, have taken into consideration, among other things, the credentials of the firm and partners, proven track record of the firm and eligibility criteria prescribed under the act.

M/s. **HTKS & CO.**, Chartered Accountants (Firm Registration No. **111032W**) was established since past 30 years having vast experiences in direct and indirect tax along with internal and statutory audit of corporate and non-corporate entities. M/s. HTKS & Co., Chartered Accountants are an integrated professional service firm providing management consultancy in the field of Income tax, Audit, GST, Company law, Accounting, Cost Management, Bank Audit, RERA, Business Strategy and much more. M/s. HTKS & Co., have an experienced and qualified team who are capable of providing best output and services to clients within stipulated time.

The firm holds the valid 'Peer Review' certificate as issued by 'ICAI'.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested (financially or otherwise), in this resolution.

The Board recommends this resolution for approval by the members.

By Order of Board of Directors of
Shahlon Silk Industries Limited

Place : Surat

Date : 14.08.2024

Hitesh K. Garmora
Company Secretary

Directors' Report

The Board of Director's present the Company's 16th Annual Report and the Company's audited financial statements for the financial year ended March 31, 2024.

Particulars	(₹ in Lakhs)	
	2023-24	2022-23
Total Income	31139.09	30896.76
Profit before Interest, Depreciation and Tax	2838.86	2,228.25
Less : Interest	1478.39	1420.28
Depreciation	781.67	905.38
Profit before exceptional items and Tax	578.80	(97.41)
Profit (loss) on sale of Assets/Investment	32.69	612.78
Profit before Tax	611.49	515.37
Less : Provision for Current Taxation	204.34	170.29
Provision for Deferred Taxation	8.99	(32.69)
Excess/(Short) provision for taxation in earlier year	-	-
Net Profit	398.16	377.77
Add : Balance brought forward from previous year	2802.86	2457.65
Depreciation on Fixed Assets Revaluation	18.71	21.02
Amount available for Appropriation	3219.73	2856.44
Less: Dividend paid during the year	53.58	53.58
Balance Carried to Balance Sheet	3166.15	2802.86

OPERATIONAL PERFORMANCE

During the year under review, your Company has achieved turnover of Rs.31139.09 lakh as against Rs.30896.76 lakh in the previous year, almost at the same level as compared to previous financial year.

An Earnings before Interest, Depreciation and Tax (EBITDA), during the year under review was Rs.2838.86 lakh as compared to Rs.2228.25 lakh in the previous year reflecting healthy growth in profit margins. During the year under review, Profit before tax was Rs. 578.80 lakh as compared to loss of Rs. 97.41 lakh in the previous year. The Profit after tax for the financial year under review was Rs.398.16 lakh as against Rs.377.77 lakh for the previous year.

DIVIDEND

The Board of Directors is pleased to recommend a dividend of Rs.0.06/- (i.e.3.00%) per equity share of Rs. 2/- each on the paid-up equity share capital of company amounting to Rs.53.58 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.

DEPOSITS

Your Company has neither accepted nor renewed any deposits within the meaning of the Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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, 2024, 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.

During the year under review, Shri Rajendra Kundanlal Desai was re-appointed as an independent director of the Company for a further period of 5 years, by the Board on the recommendation of Nomination and Remuneration Committee, with effect from 3th September, 2023 and Member's approved the said appointment through their meeting held on 29th September, 2023.

Smt. Richa Manoj Goyal was re-appointed as an independent director of the Company for a further period of 5 years, by the Board on the recommendation of Nomination and Remuneration Committee, with effect

from 3th September, 2023 and Member's approved the said appointment through their meeting held on 29th September, 2023.

Shri. Vaibhav Jayantbhai Mehta was re-appointed as an independent director of the Company for a further period of 5 years, by the Board on the recommendation of Nomination and Remuneration Committee, with effect from 17th June, 2024 and Member's approved the said appointment through their meeting held on 29th September, 2023.

Pursuant to the provisions of section 152 of the Companies Act, 2013 and in accordance with provisions of Articles of Association of the Company, Shri Nitin R. Shah (**DIN 00010487**), Whole Time Director 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.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given declarations 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.

NOMINATION AND REMUNERATION POLICY:

The Company has devised the Nomination and Remuneration Policy for the selection, appointment and remuneration of Directors, Key Managerial Personnel and also remuneration of other employees including Senior Management employees who have the capacity and ability to lead the Company towards achieving sustainable development.

The extract of Nomination and Remuneration Policy is provided in the Corporate Governance Report and forms part of Board's Report.

PARTICULARS OF EMPLOYEES

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, 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 annexed as 'Annexure - 2' and forms an integral part of this report. This Annexure-2 is not being sent along with this annual report to the members of the company considering the provisions of Section 136 of the Companies Act, 2013. 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.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

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-3**' to the Board's Report.

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:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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;
- c) 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;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) 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.

STATUTORY AUDITORS AND AUDITOR'S REPORT

M/s Rasesh Shah & Associates, Chartered Accountants (Firm Registration No. 0108671W) will complete their second term as the Statutory Auditors of the company on conclusion of the ensuing 16th AGM.

The Board of Directors on the recommendation of Audit Committee have recommended the appointment of M/s. HTKS & Co., Chartered Accountants (Firm Registration No 111032W) 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 21th AGM of the Company.

M/s. HTKS & Co., have confirmed their eligibility and qualification required under the Act for holding the office as Statutory Auditors of the Company.

There is no qualification or adverse remark in Auditors' Report. There is no incident of fraud requiring reporting by the Auditors under Section 143(12) of the Act.

SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT:

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 for the financial year ended 31st March, 2024 is annexed herewith as '**Annexure-4**'.

The Auditors' Report and the Secretarial Audit Report for the Financial Year ended March 31, 2024, do not contain any qualifications or reservations, or adverse remarks.

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 31st March 2025, on a remuneration as mentioned in the Notice convening the 16th 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 16th Annual General Meeting of the Company and the same is recommended for your consideration.

Cost Audit Report for the year 31st March 2023 was filed with the Central Government, within the prescribed time limit AND The Cost Audit Report for the year ended on 31st March 2024, 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.

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:

- 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 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.

AUDIT COMMITTEE

Audit Committee presently consists of three Directors. The composition of Audit Committee is as follows.

Name of Directors	Category	Position
Mr. Rajendra Kundanlal Desai	Non-Promoter/Independent/Non-Executive Director	Chairman
Ms. Richa Manoj Goyal	Non-Promoter/Independent/Non-Executive Director	Member
Mr. Dhirajlal Raichand Shah	Promoter/Executive Director	Member

There are no instances where the Board has not accepted any recommendation of the Audit Committee.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

In pursuance of the provisions of section 177(9) & (10) of the Companies Act, 2013 and rules made thereunder and SEBI Listing Regulations, a Vigil Mechanism for directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's code of conduct has been established. Adequate safeguards have been provided against victimization of persons who use the vigil mechanism. The

Vigil Mechanism Policy has been uploaded on the website of the Company.

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.

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).

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. The company has complied with the provisions of the Companies Act, 2013 with respect to loans given and investments made.

RELATED PARTY TRANSACTIONS:

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. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. Details of the transactions made with Related Parties are provided in the Company's financial statements in accordance with the Accounting Standards.

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.

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.

ALTERATION OF THE OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

During the financial year under review, the Company has altered Object clause of the Memorandum of Association specifically to include or insert the businesses of Solar Plant, warehouse business, business of construction of Common Effluent Treatment Plants (CETP) and businesses of infrastructure and real estate development projects by adding or inserting in the objects. The alteration in the Objects Clause of the Memorandum of Association is to facilitate diversification; which will expand the area of its activities and benefited to the company and its shareholders as a whole. This additional Object may conveniently and advantageously be combined with the existing businesses activities of the Company.

The shareholders of the Company approved the aforesaid amendment of the Company's object clause to include new business activities through postal ballots held on dated 10th November 2023 and 8th February 2024 respectively.

SCHEME OF AMALGAMATION / ARRANGEMENT

During the 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.

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 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.

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

SECRETARIAL STANDARDS

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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.

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.

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.

During the year under review, no complaint of sexual harassment was received by the committee.

TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to Reserves.

TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO IEPF

During the year, the Company has transferred the unclaimed and unpaid dividend of 239,704/-. Further, 42,845 corresponding equity shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF Rules.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are applicable to the company.

In pursuance of the provisions of section 135(5) of the Act, the amount to be spent by the company shall be at least 2% of the average net profits of the company made during the three immediately preceding financial years. Net profit for the purpose of this section shall be calculated in accordance with the provisions of section 198 of the Act. The average net profit of last three immediately preceding financial years is negative.

Further, section 135(9) of the Act provides that where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

Hence, the company is not required to spend on CSR activity during the financial year under review under the provisions of the Act, and therefore the Board of Directors had not constituted CSR Committee.

However during current FY 2024-25, the company is required to spend on CSR activity since the average net profit of last three immediately preceding financial years is Rs. 417.26 Lakh. Hence during current FY 2024-25, the company will undertake Corporate Social Responsibility activities.

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 are annexed to this Report as '**Annexure- 5**'.

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.

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

Place : Surat

Date : 14.08.2024

Dhirajlal. R. Shah

Chairman

ANNEXURE - 1

Disclosure in the Board's Report under Rule 5 of Companies (Appointment & 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 2023-24	Director's Name	Ratio to median remuneration
	1	Shri. Dhirajlal R. Shah	71 : 1
	2	Shri. Arvind R. Shah	71 : 1
	3	Shri. Nitin R. Shah	71 : 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 2023-24 compared to 2022-23	Director's/CFO/CEO/CS/ Manager name	% increase in remuneration
	1	Mr.Dhirajlal R. Shah	NIL
	2	Mr. Arvind R. Shah	NIL
	3	Mr. Nitin R. Shah	NIL
	4	Mr. Satish Shah	NIL
	5	Mr. Hitesh K. Garmora	NIL
(iii)	Percentage increase in the median remuneration of employees in the financial year 2023-24 compared to 2022-23	NIL	
(iv)	Number of permanent employees on the rolls of the company	As on 31.03.2024	As on 31.03.2023
		745	995
(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;	During 2023-24	
		There has been no increase in remuneration of Directors and employees.	

Note: 1. The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

ANNEXURE - 3

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.5,38,058/- during the year.
 - Further, following steps taken to save energy:
 - o Replaced 11 Nos. Waterjet Humidity motor (consuming 878 kwh per day) with New Exhaust Fan motor (consuming 275 kwh per day), which saves Rs. 1,53,765/- per month.
 - o Replaced 9 Nos. TFO Humidity motor (consuming 492 kwh per day) with New Exhaust Fan (consuming 152 kwh per day), which saves Rs. 86,700/- per month.
 - o ETP Aeration Tank 2 motor connect with 2 no. VFD - which saves 185 kwh per day i.e. Rs.47,175/- 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.

Particulars	(₹ in Lakhs)	
	2023-24	2022-23
I) Foreign Exchange Earnings	1765.43	2906.91
II) Foreign Exchange Outgo:		
a) Raw Materials	95.23	110.84
b) Capital Goods	1.46	65.74
c) Consumables Stores	30.39	37.98
d) Foreign Travelling Expenses	5.55	7.96
e) Export Commission	17.88	28.06
f) Business Convention Expenses	4.51	51.33

ANNEXURE - 4

**FORM No. MR - 3
SECRETARIAL AUDIT REPORT**

For The Financial Year Ended on 31st March, 2024

[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, 2024**

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, Khatodata,
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, 2024, 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, 2024**, 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;
 - 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.

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-

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.

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

Place: Surat

UDIN - F006212F000980834

Date: 14.08.2024 Peer Review Certificate No. 1015/2020

**“ANNEXURE – A”
FORM No. MR - 3
SECRETARIAL AUDIT REPORT**

For The Financial Year Ended on 31st March, 2024

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, Khatodata,
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 - F006212F000980834

Place: Surat

Date: 14.08.2024 Peer Review Certificate No.-1015/2020

ANNEXURE - 5

REPORT ON CORPORATE GOVERNANCE

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:

The Board of the Company is comprised of Executive and Non- Executive Directors including Independent Directors. As on 31st March, 2024, the composition of the Board is as under:

Category	No. of Directors	% to total number of Directors
Executive Directors - Promoter	3	50.00
Non-Executive, Independent Directors (including woman director)	3	50.00
Total	6	100.00

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").

Further, the Chairmanships/Memberships of the Committees of the Board of all directors are within the maximum permissible limit as stipulated under SEBI (LODR) Regulations.

Directorships in other Listed Entities and the category of Directorship as on 31st March, 2024:

Name of the Director	Category	List and category of Directorship in other Listed Companies
SHRI RAJENDRA KUNDANLAL DESAI	Non-Executive Independent Director	K.P. Energy Limited - Non-Executive - Independent Director
MS. RICHA MANOJ GOYAL	Non-Executive Independent Director	1.Ami Organics Limited - Non-Executive - Independent Director 2.Bikaji Foods International Ltd. - Non-Executive - Independent Director

Note: No Director is related to any other Director except Shri. Dhirajlal R. Shah, Shri. Arvind R. Shah and Shri. Nitin R. Shah, Promoter Directors who are kin brothers hence related to each other.

Board Meetings

During the year under review, 6 (Four) Board Meetings were

held, the dates being, 26th May, 2023, 10th August, 2023, 11th October, 2023, 9th November 2023, 8th January 2024 and 13th February, 2024.

Attendance of each Director at the Meetings of Board and the last Annual General Meetings, number of other Directorship and Committee membership/Chairmanship are as under:

Name of the Director	Category	No. of Board Meetings attended during 2023-24		Whether attended AGM held on 30th Sep., 2023	No. of Directorship in listed entities including this company as on 31.3.2024		No. of Committee positions held in public limited companies* including this company	
		held	attended		Members	Chairman	Memberships	Chairmanships
Shri. Dhirajlal R. Shah (DIN: 00010480)	Executive Chairman / Promoter Director	6	6	YES	1	1	2	Nil
Shri. Arvind R. Shah (DIN: 00010483)	Managing Director/ Promoter Director	6	6	YES	1	Nil	1	Nil
Shri. Nitin R. Shah (DIN: 00010487)	Whole-time Director / Promoter Director	6	6	YES	1	Nil	Nil	Nil
Shri. Rajendra K. Desai (DIN: 00198139)	Non-Executive / Independent Director	6	6	YES	2	Nil	4	3
Smt. Richa M. Goyal (DIN: 00159889)	Non-Executive / Independent Women Director	6	6	YES	3	Nil	7	2
Shri. Vaibhav J. Mehta (DIN: 08484567)	Non-Executive / Independent Director	6	6	YES	1	Nil	Nil	Nil

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

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)
Shri. Dhirajlal R. Shah	Business Strategy, Planning, Corporate Management, Discharge of Corporate Social Responsibility, Accounting and Financial Skills
Shri. Arvind R. Shah	Production, Marketing, Risk Management
Shri. Nitin R. Shah	Production, Marketing, Risk Management
Shri. Rajendra K. Desai	Accounting and Financial Skills
Smt. Richa M. Goyal	Legal, Accounting, Financial Skills and Risk Management
Shri. Vaibhav J. Mehta	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	Ms. 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.	✓	✓	✓	✓	✓	
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	✓	✓	✓	✓	✓	

Independence of Directors

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.

The Board members are provided with necessary documents/ brochures and reports to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, business strategy and risks involved. Site visits are also arranged.

Quarterly updates on relevant statutory changes encompassing important laws are regularly circulated to

the Directors. The policy of such familiarization programmes for Independent Directors is posted on the website of the Company and can be accessed at <http://www.shahlon.com/reports/disclosure/Familiarize-Program-for-ID.pdf>.

3. 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 26th May, 2023, 10th August, 2023, 9th November 2023, and 13th February, 2024.

Composition of the Committee and details of attendance of each Member at the Audit Committee Meetings are as follows:

Name of Directors	Category	Position	No. of Meetings Attended
Mr. Rajendra K. Desai	Non-Executive / Independent Directors	Chairman	4
Ms. Richa M. Goyal	Non-Executive / Independent Women Director	Member	4
Mr. Dhirajlal R. Shah	Executive Chairman / Promoter Director	Member	4

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. The Company Secretary acts as the Secretary to 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.

4. 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 10th August, 2023 and all members of the committee were attended the meeting.

Composition of NRC Committee is as follows:

Name of Directors	Category	Position
Mr. Rajendra K. Desai	Non-Executive / Independent Director	Chairman
Ms. Richa M. Goyal	Non-Executive / Independent Director	Member
Mr. Dhirajlal R. Shah	Promoter/ Executive Director	Member
Mr. Vaibhav J. Mehta	Non-Executive / Independent Director	Member

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.

5. Stakeholder’s Relationship Committee:

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 13th February, 2024.

Stakeholder’s Relationship Committee consists of three Directors viz. Shri. Rajendra K. Desai, Shri. Arvind R. Shah and Shri. Dhirajlal R. Shah. Shri. Rajendra Kundanlal Desai, Non-executive/Independent Director is the Chairman of the Committee. 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:	Nil
No. of complaints not resolved to the satisfaction of shareholders:	Nil
No. of pending complaints:	Nil

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	-

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 2023-24 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 year 2023-24 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, 2024
Mr. Rajendra K. Desai	1.30	7,335
Ms. Richa M. Goyal	1.20	-
Mr. Vaibhav J. Mehta	0.80	-

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

6. General Body Meeting:

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

Annual general Meetings:

Date & Time	Location	Special Resolutions Passed
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.
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.
30.09.2021 at 11.00 A.M.	Through Video Conference	

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

During the year under review, Company sought the approval of the Members by means of Postal Ballots 2 times conducted through Remote E-voting for the following business, which was duly passed with requisite majority, details appearing herein below:

Date of resolution passed	Resolution passed	Particulars of Resolutions	Voting Pattern	
			% of votes cast in favour	% of votes cast against
10.11.2023	Special	Alteration of the Objects Clause of the Memorandum of Association of the Company	100	0
08.02.2024	Special	Alteration of the Objects Clause of the Memorandum of Association of the Company	100	0

c) Special Resolutions proposed to be conducted through Postal Ballot:

No Special Resolution is proposed to be conducted through Postal Ballot.

d) Procedure followed for Postal Ballot:

In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Management Rules, Regulation 44 of the SEBI Listing Regulations and the MCA Circulars, Members can vote only through the remote e-voting. Accordingly, the Company provided remote e-voting facility to all its Members to cast their votes electronically and engaged the services of Central Depository Services (India) Limited ('CDSL') for facilitating the e-voting process.

Shri. Bhairav H. Shukla (FCS No. 6212, CP No. 5820), Practising Company Secretary, acted as the Scrutinizer, for conducting the aforesaid Postal Ballot process, in a fair and transparent manner.

In terms of the MCA Circulars, the Company sent the Postal Ballot Notices in electronic form only to its shareholders whose e-mail IDs were registered/available with the Depository Participants (DPs)/Registrars and Share Transfer Agents (RTAs) as on a cut-off date. Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members desiring to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of e-Voting. The scrutinizer, after the completion of scrutiny, submitted his report. The consolidated

results of the voting by postal ballot and e-Voting were then announced and the results were also displayed at the Registered Office of the Company and on the Company's website besides being communicated to BSE Limited and CDSL.

7. Means of Communication:

The Annual Report containing, inter alia, Audited Financial Statement, Board's Report, Auditors' Report and other important information is circulated to the members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report. The Annual Report is also available in downloadable form on the website of the Company. 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 year no presentations were made to analysts/ institutional investors.

8. General Shareholder Information:
(a) Annual General Meeting: Date, Time and Venue:

To be held on 30th September, 2024, 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: 1st April to 31st March of the following year.

(c) Dividend payment Date:

Dates of Book Closure are Saturday, 21st September, 2024 to 30th September, 2024 (both days inclusive). Dividend on Equity Shares will be made payable from 30th September, 2024 once

approved. In respect of shares held in physical form, the dividend will be paid to such shareholders whose name appears in the Register of Members as on Friday, 20th September 2024. In respect of shares held in electronic form, the dividend will be paid 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, 20th September, 2024.

(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) Market Price Data:

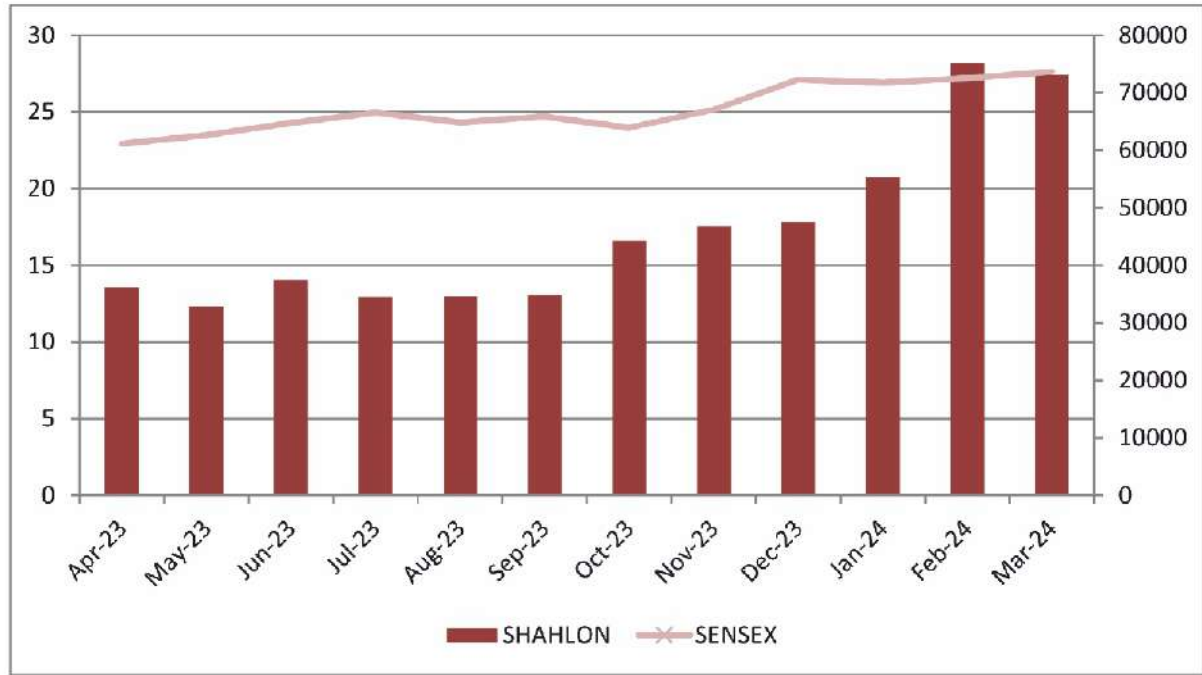
The details of monthly highest and lowest closing quotations of the equity shares of the Company listed at the BSE Ltd. during the financial year 2023-2024 are as under:-

Month	High	Low	No. of Shares Traded
April'2023	15.79	10.00	225123
May'2023	14.52	11.30	140971
June'2023	15.30	12.01	290869
July'2023	14.88	12.40	180769
August'2023	14.20	12.42	287647
September'2023	13.99	12.56	354430
October'2023	20.70	12.31	3514877
November'2023	20.49	14.80	2344227
December'2023	19.00	16.00	730842
January'2024	21.08	16.80	1813735
February'2024	30.79	21.44	9595842
March'2024	29.90	22.11	1992319

[Source: This information is compiled from the data available on the website of BSE]

(g) Performance in comparison to broad based indices :

SHAHLON CLOSING SHARE PRICE (Rs.) V/S BSE SENSEX CLOSING



[Source: This information is compiled from the data available on the website of BSE]

(h) Suspension from trading:

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

(l) 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

(j) 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.

(k) Distribution of Shareholding:

Distribution of shareholding as on March 31, 2024:

Shares Range	Number of shareholders	%	Total Shares for the Range	% of Issued Capital
1-5000	5718	93.66	3062549	3.43
5000-10000	151	2.47	1122370	1.26
10001-50000	132	2.16	3081054	3.45
50001-100000	31	0.51	2276325	2.55
100001-500000	27	0.44	6314989	7.07
500001-1000000	29	0.48	21583989	24.17
>1000000	17	0.28	51861174	58.07
Total	6105	100.00	89302450	100.00

(l) Dematerialization of shares:

98.82% of the outstanding Equity Shares have been dematerialized up to 31st March, 2024. 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.

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

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

(n) 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 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.

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.

(o) 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 & 298, Limodra Patiya, Village: Karanj, Taluka: Mandvi, Dist.: Surat, Gujarat.

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.

(p) 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) 4190200

E-mail: companysecretary@cs.shahlon.com

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

	credit rating by CRISIL Ratings vide its letter dated July 23, 2024
Long-Term Rating :	CRISIL D (Downgraded from 'CRISIL BB-/Stable ISSUER NOT COOPERATING')
Short-Term Rating :	CRISIL D (Downgraded from 'CRISIL A4+ ISSUER NOT COOPERATING')

However, the Company is not agreeable to the above downgrading done by CRISIL Ratings Limited. The company has conveyed its non-acceptance of rating action to the CRISIL Ratings Limited.

As stated by CRISIL Ratings that "The downgrade in ratings factors the continuous over utilisation in the channel financing limit for more than 30 days." We totally disagree with the said statement. In this regard, the company submits the following clarification:

- The company is a marketing agent of Reliance Industries Limited (RIL) and the company is having sanctioned Channel finance limit with ICICI Bank of Rs. 500 Lakhs for agency business with Reliance Industries Limited (RIL)
- The company have never avail/utilise the said Channel finance limit over and above the sanctioned limit at any point of time. However, as per ICICI Bank sanctioned terms and conditions, the company have to roll over the drawn down amount within the time limit specified from the date of such drawn down under the said facility AND beyond the specified time limit, the company have to pay additional interest on the amount outstanding. On account of slowdown in the textile market, if payment received from

customers under agency business to the credit of channel finance account with ICICI Bank is late, then the company have to fund the same from own source as agent of RIL.

- The company is regular in servicing its repayment obligation to the Banks and NBFCs.

9. 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 26 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
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.
Details of action taken E.g. fines, warning letter, debarment, etc.	The company has delayed filed for 01 (One) day. Imposed Penalty of Rs.5000 plus Rs.900 GST (Total Rs.5900/-) 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.
Observations/remarks of the Practicing Company Secretary, if any.	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.

(ii) NON-MANDATORY/ DISCRETIONARY REQUIREMENTS

- Unqualified Financial Statements There are no qualifications in the Auditor's Report on the accounts for the financial year 2023-24.
- 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

The Internal Auditor of the Company directly reports to the Audit Committee.

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

(f) Web-links for policy on dealing with related party transactions - <http://www.shahlon.com/reports/disclosure/Related-Party-Policy.pdf>

(g) disclosure of commodity price risks and commodity hedging activities: Please refer (n) of point no.8 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 31st March, 2024. 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 ₹ 7.30 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 <http://www.shahlon.com/reports/disclosure/Sexual%20Harassment%20Policy.pdf>.

No complaint under above said policy has been received during the financial year 2023-24.

(m) During the FY 2023-24, 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.

10. Non-Compliance

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

11. Discretionary Requirements

Please refer (d) (ii) of point no.9 as mentioned above.

12. Disclosures of the compliance with corporate governance requirements

Please refer (d) (i) of point no.9 as mentioned above.

13. 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**'.

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

15. 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

16. 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 31st March, 2024 is attached herewith as per '**Annexure - D**'.

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

Dhirajlal Raychand Shah

Chairman

(DIN 00010480)

Place : Surat

Date : 14.08.2024

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 **31st March 2024**, 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

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 : F006212F000981001

Peer Review Certificate No. 1015/2020

Place : Surat

Date : 14.08.2024

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)

To

The Board of Directors

Shahlon Silk Industries Limited

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 year ended 31st March, 2024.

For and on behalf of the Board of Directors of

Shahlon Silk Industries Limited

Arvind Raichand Shah

Managing Director

(DIN 00010483)

Place : Surat

Date : 27th May, 2024

ANNEXURE - C

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

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

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, 2024, 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, 2024.

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.

Place : Surat

Date : 14.08.2024

Signature

BHAIRAV H SHUKLA

M.NO. F6212

CP NO. 5820

UDIN : F006212F000980891

Peer Review Certificate No. 1015/2020

ANNEXURE - D

CEO'S/ CFO'S CERTIFICATE

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

TO WHOM SO EVER IT MAY CONCERN

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, 2024 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: 27/05/2024

(Arvind R. Shah)
Managing Director

(Satish H. Shah)
Chief Financial Officer

ANNEXURE - 6

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy:

The global economy during FY2024 presented a complex landscape for the textile industry. While the post-pandemic recovery continued, persistent inflationary pressures, geopolitical tensions, and supply chain disruptions posed significant challenges. A slowdown in major economies impacted demand for textile products, affecting overall industry performance. However, certain regions exhibited resilience, driving growth opportunities. The company closely monitored these macroeconomic indicators to assess their impact on business operations, customer demand, input costs, and overall financial performance. Strategic initiatives focused on cost optimization, product diversification, and market expansion were undertaken to navigate the volatile environment.

Indian Economy:

During the financial year ended 31st March 2024, the Indian economy demonstrated resilience amid global uncertainties, marked by a GDP growth rate of approximately 6.8%. This growth was supported by strong domestic consumption and government initiatives aimed at boosting infrastructure and manufacturing sectors. The government's continued focus on the "Atmanirbhar Bharat" (Self-Reliant India) initiative and Production Linked Incentive (PLI) schemes played a significant role in enhancing the manufacturing sector's contribution to GDP, which reached 18%. The services sector remained a major growth driver, contributing over 54% to GDP, driven by robust growth in IT, financial services, and telecommunications. Despite inflationary pressures averaging around 5.6%, the Reserve Bank of India maintained a balanced monetary policy, keeping interest rates stable to support growth while controlling inflation. The agricultural sector, accounting for about 16% of GDP, witnessed a steady performance due to favorable monsoon conditions and government support. Foreign direct investment (FDI) inflows remained strong, reflecting global confidence in India's economic prospects. However, challenges such as geopolitical tensions, supply chain disruptions, and rising energy costs posed risks to the economic outlook. Overall, the Indian economy remained on a growth trajectory, supported by structural reforms and strong macroeconomic fundamentals.

Indian Textile Industry:

India is the world's second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home, and technical products. The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.

India has a 4.6% share of the global trade in textiles and apparel. Moreover, India is the world's 3rd largest exporter of Textiles and Apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$ 100 billion by FY 2030.

Around 45 million people are working in the textile business, including 3.5 million people who work on handlooms. Textile manufacturing in India has been steadily recovering amid the pandemic. The Manufacturing of Textiles Index for the month of April 2024 is 105.9.

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. The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030, with exports expected to reach US\$ 100 billion.

India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers. During FY24, the total exports of textiles (including handicrafts) stood at US\$ 35.9 billion. Exports of textiles (RMG of all textiles, cotton yarns/fabs/made-ups/handloom products, man-made yarns/fabs/made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 35.90 billion in FY24. In FY24, exports of readymade garments including accessories stood at US\$ 14.23 billion. India's textile and apparel exports to the US, its single largest market, stood at 32.7% of the total export value in FY24. India's ready-made garment (RMG) exports are likely to surpass US\$ 30 billion by 2027, growing at a CAGR of 12-13%.

Total FDI inflows in the textiles sector stood at US\$ 4.47 billion between April 2000- March 2024. 100% FDI (automatic route) is allowed in the Indian textile sector. The

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

Opportunities, Threats, Risk and concerns:

The Indian textile market is gaining its global share of business as buyers from several countries are strategically replacing China as their primary suppliers by adding additional sourcing countries to their outsourcing portfolios. Indian players are ideally suited competitively to capture a good portion of this global shift.

The new Economic Cooperation and Trade Agreements with Australia and the UAE will open multiple opportunities for textiles and handloom. Indian textile exports to Australia and the UAE will now face zero duties, and the government is expecting that soon, Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty. MOU signed at Bharat Tex 2024 between Textiles Committee, Government e-Marketplace, and Standing Conference of Public Enterprises to promote upcycled products made from textiles waste and scrap.

The Government has also approved the Mega Integrated Textile Region and Apparel (MITRA) Park scheme worth Rs. 4,445 crore (US\$ 594.26 million) to establish seven integrated mega textile parks with state-of-the-art infrastructure, common utilities, and R&D lab over a three-year period, which will boost textile manufacturing in the country. The government of India wants to establish 75 textile hubs, which will greatly increase employment opportunities while promoting the export of textile products and ensuring the use of sustainable technology.

From allowing 100% FDI in the Indian textile sector to launching various schemes from time to time, the Government of India intends an overall improvement within the Textile Industry. The Production linked Incentive (PLI) Scheme for the textile industry aims to promote the production of higher-value man-made fabrics, garments, and technical textiles. Furthermore, the Government launched the Technology Upgrading Scheme to provide capital subsidies for the better development of the textile industry. Apart from Central Government initiatives, the various State Governments are also encouraging the companies with multiple schemes, tax waivers, and benefits.

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, 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	FY2023-24	FY2022-23
Revenue from operation	31139.09	30896.76
Other Income	51.34	34.60
Total Revenue	31,139.09	30,896.76
Profit (loss) on sale of Assets/Investment	32.69	612.78
EBITDA	2871.55	2,841.03
Operational EBITDA	2838.86	2,228.25
PBT	611.49	515.37
PAT	398.16	377.77

During the year under review, your Company has achieved turnover of Rs.31139.09 lakh as against Rs.30896.76 lakh in the previous year, almost at the same level as compared to previous financial year.

An Earnings before Interest, Depreciation and Tax (EBITDA), during the year under review was Rs.2838.86 lakh as compared to Rs.2228.25 lakh in the previous year reflecting healthy growth in operating margin by 34%. During the year under review, Profit before tax was Rs. 578.80 lakh as compared to loss of Rs. 97.41 lakh in the previous year. The Profit after tax for the financial year under review was Rs.398.16 lakh as against Rs.377.77 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 will also promote 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 2023-24	FY 2022-23
Debtors Turnover	159	130
Inventory Turnover	122	104
Interest Coverage Ratio	1.41	1.36
Current Ratio	1.44	1.34
Debt Equity Ratio	1.29	1.32
Operating Profit Margin (%) *	6.61%	4.28%
Net Profit Margin (%)	1.28%	1.22%
details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof	4.05%	4.01%

* 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.

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.

INDEPENDENT AUDITOR'S REPORT

TO,

THE MEMBERS OF,

SHAHLON SILK INDUSTRIES LIMITED

1. Report on the Audit of Standalone Financial Statements

Opinion:

We have audited the accompanying financial statements of **SHAHLON SILK INDUSTRIES LIMITED ("the Company")** which comprises the Balance Sheet as on **31st March, 2024**, 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 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, 2024**, 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 in accordance with the Standards on Auditing (SAs) issued by 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 Institute of Chartered Accountants of India 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 period. 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 and Management are 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. Management's and Board of Director's Responsibilities 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance total 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 Board of Directors are 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 explaining our opinion on whether the Company has adequate internal financial controls system 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 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 section 143(11) of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 & 4 of the order, to the extent applicable.
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 Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the 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, 2024** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2024** from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- g) With respect to 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-(N) 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 27.9 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. 27.10 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 compliance with section 123 of the companies act, 2013.
- vi. Based on our examination which included test checks, the company, has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
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, Rasesh Shah & Associates
Chartered Accountants
Firm Reg. No.: 0108671W

(Rasesh B. Shah)
Partner

Place : Surat
Date : 27th May, 2024

Membership No.: 034217
UDIN : 24034217BKEXYN9265

Annexure – A to the Independent Auditor’s Report:

Report on the Financial Statements of Shahlon Silk Industries Limited for the year ended 31st March, 2024

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

To the best of our information and according to the explanations provided to us 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 is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-to-use assets.
 - (B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) According to the explanation and information provided by the management, Property, Plant and Equipment and relevant details of right-to-use assets have been physically verified by them at reasonable intervals. No material discrepancies were noticed on such verification by the management.
- (c) 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) The Company has not revalued any of its Property, Plant and Equipment (including right-to-use assets) and intangible assets during the year. Hence Clause (i)(d) of Companies (Auditor’s Report) Order, 2020 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, 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. Hence Clause (i)(e) of Companies (Auditor’s Report) Order, 2020 is not applicable.

- (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 inventory have been noticed during such verification.
 - (b) The Company has been sanctioned working capital limits in excess of ` 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) a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, the company has provided loans & advances in the nature of loans, or stood guarantee, or provided security during the year to the following parties:

Particulars	(₹ in Lakhs)			
	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted / provided during the year				
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	90.00	12.05
Balance outstanding as at balance sheet date in respect of above cases:				
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	93.58	3.37

- b) In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of all loans and advances in the nature of loans provided are not prejudicial to the company's interest.
- c) In our opinion and according to the information and explanations given to us, the schedule of repayment of principal and payment of interest has not been stipulated, as loans and advances are in the nature of loans repayable on demand.
- d) Since, all loans are repayable on demand, clause iii(d) is not applicable.
- e) In our opinion and according to the information and explanations given to us, there is no amount in the year under audit which is in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- f) No loans or advances are made to Promoters or Related parties, hence, reporting under clause iii(f) is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Act have been complied with.
- (v) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not accepted any deposits or any amount which are deemed to be deposits, during the year and does not have any unclaimed deposits as on 31st March, 2024 as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under and therefore, Clause 3 (v) of the Companies (Auditor's Report) Order is not applicable.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act. We have broadly reviewed the same and are of opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, 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.
- 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, 2024 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, 2024 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)

(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) In our opinion and according to the information and explanations given to us by the management, 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 balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(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 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 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 (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 Accounting Standards.

(xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

(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 hence, reporting under clause 3(xv) of the order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as nature of the business is not banking and finance. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(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 the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of 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) The provisions of CSR as per section 135 of the Companies Act, 2013 are applicable to the company. But the average net profit of last three year is negative; hence there is no requirement to spend on CSR. Hence clause (xx) (a) and clause (xx) (b) of Companies (Auditor's Report) Order, 2020 is not applicable.

For, Rasesh Shah & Associates
Chartered Accountants
Firm Reg. No.: : 0108671W

(Rasesh B. Shah)
Partner

Place : Surat

Date : 27th May, 2024

Membership No.: 034217

UDIN : 24034217BKEXYN9265

Annexure – B to the Independent Auditor’s Report:

Report on The Financial Statements of Shahlon Silk Industries Limited for the Year Ended 31st March, 2024

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, 2024** 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, 2024**, 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, Rasesh Shah & Associates

Chartered Accountants
Firm Reg. No.: 0108671W

(Rasesh B. Shah)

Partner

Place : Surat

Date : 27th May, 2024

Membership No.: 034217

UDIN : 24034217BKEXYN9265

BALANCE SHEET

AS AT 31ST MARCH, 2024

(₹ in Lakhs)

PARTICULARS	Note No.	As at March 31,2024	As at March 31,2023
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	1	7,477.63	8,402.09
(b) Capital Work in Progress	1	67.82	31.84
(c) Intangible Assets	1	10.77	14.40
(d) Intangible Assets under Development	1	-	-
(e) Financial Assets			
(i) Investments	2	120.11	83.08
(ii) Other Financial Assets	3	234.84	202.71
(f) Other Non-Current Assets	4	907.29	933.38
Total Non-Current Assets		8,818.46	9,667.49
(2) CURRENT ASSETS			
(a) Inventories	5	7,949.31	6,457.15
(b) Financial Assets			
(i) Trade Receivables	6	14,544.06	11,861.91
(ii) Cash & Cash Equivalents	7	17.24	11.32
(iii) Bank Balance other than (ii) above	8	97.34	83.77
(iv) Loans		-	-
(v) Other Financial Assets		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other Current Assets	9	502.95	532.61
Total Current Assets		23,110.89	18,946.76
TOTAL ASSETS		31,929.35	28,614.25
II. EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share Capital	10	1,786.05	1,786.05
(b) Other Equity		8,489.02	8,101.49
Total Equity		10,275.07	9,887.54
LIABILITIES			
(2) NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	11	5,349.41	4,162.43
(ii) Other Financial Liabilities		-	-
(b) Provisions		-	-
(c) Deferred Tax Liabilities (Net)	12	114.30	105.30
(d) Other Non Current Liabilities	13	171.29	177.88
Total Non-Current Liabilities		5,635.00	4,445.62

(₹ in Lakhs)

PARTICULARS	Note No.	As at March 31,2024	As at March 31,2023
(3) CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	14	7,944.60	8,917.32
(ii) Trade Payables	15		
- Micro and Small Enterprises		1,166.55	2,903.45
- Others		5,869.83	1,802.73
(iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	16	805.29	547.89
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)		233.00	109.70
Total Current Liabilities		16,019.28	14,281.09
TOTAL EQUITY AND LIABILITIES		31,929.35	28,614.25

Notes to Accounts & Significant Accounting Policies

The Notes No. 1 to 27 are Integrated Part of these Financial Statements

As per our Report of even date
For Rasesh Shah & Associates
Chartered Accountants

CA Rasesh B. Shah
Partner
M.NO. : 034217
Firm Reg. No : 108671W
Place : Surat
Date : 27.05.2024
UDIN : 24034217BKEXYN9265

For and on behalf of the Board
Shahlon Silk Industries Limited

Dhirajlal R. Shah
Chairman
DIN : 00010480

Hitesh K. Garmora
Company Secretary

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, 2024

(₹ in Lakhs)

PARTICULARS	Note No.	2023-24	2022-23
INCOME			
I. Revenue From Operation	17	31,087.76	30,862.17
II. Other Income	17	51.34	34.60
III. Total Income (I+II)		31,139.09	30,896.76
IV. EXPENSES			
Cost of Materials Consumed	18	9,714.71	11,481.99
Purchase of Stock-in-trade		15,696.78	10,138.87
Change in Inventories of Finished Goods, Stock-in-trade & Work-in-progress	19	(1,944.90)	138.55
Employee Benefits Expenses	20	2,266.04	3,069.01
Finance Costs	21	1,478.39	1,420.28
Depreciation and Amortisation Expense	22	781.67	905.38
Other Expenses	23	2,567.60	3,840.10
Total Expenses (IV)		30,560.29	30,994.17
V. Profit before Exceptional Items and Tax (III-IV)		578.80	(97.41)
VI. Exceptional Items			
Profit/(Loss) on sale of Assets / Investment		32.69	612.78
VII. Profit Before Tax (V-VI)		611.49	515.37
VIII. Tax Expenses			
Current Tax		348.02	170.29
Excess provision/shortfall for taxation		(143.68)	-
Deferred Tax		8.99	(32.69)
IX. Profit for the Year (VII-VIII)		398.16	377.77
X. Other Comprehensive Income			
(I) Items that will not be reclassified to profit or loss			
Actuarial (loss)/gain on defined benefit obligation		42.94	54.23
Total Other Comprehensive Income for the year (X)		42.94	54.23
XI. Total Comprehensive Income for the year (IX+X)		441.11	432.00
XII. Earnings Per Equity Share :			
(I) Basic	24	0.45	0.42
(ii) Diluted		0.45	0.42

Notes to Accounts & Significant Accounting Policies

The Notes No. 1 to 27 are Integrated Part of these Financial Statements

As per our Report of even date
For Rasesh Shah & Associates
Chartered Accountants
CA Rasesh B. Shah
Partner
M.NO. : 034217
Firm Reg. No : 108671W
Place : Surat
Date : 27.05.2024
UDIN : 24034217BKEXYN9265

For and on behalf of the Board
Shahlon Silk Industries Limited

Dhirajlal R. Shah
Chairman
DIN : 00010480

Hitesh K. Garmora
Company Secretary

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, 2024

PARTICULARS	2023-2024 (₹ in Lakhs)	2022-2023 (₹ in Lakhs)
(A) Cash Flow from Operating Activities :		
Net profit before Tax and Extraordinary Items	621.75	(43.18)
<u>Adjusted For :</u>		
Depreciation	781.67	905.38
Interest Paid	1,478.39	1,420.28
Proportionate Capital Subsidy on Plant Machinery	(6.59)	(6.59)
Extra ordinary item ((Profit)/loss on sale of assets)	(12.38)	(23.16)
Operating Profit before Working Capital Charges	2,862.83	2,252.74
<u>Adjusted For :</u>		
Trade and other receivables	(2,652.48)	(2,406.79)
Inventories	(1,492.17)	575.90
Trade payables & Provisions	3,663.27	1,984.17
Cash Generated From Operations	2,381.46	2,406.02
Interest Paid on operations	(1,137.70)	(1,025.55)
Cash flow before Extraordinary items	1,243.76	1,380.47
Short Provision for taxation (Earlier Year)	143.68	-
Current tax	(348.02)	(170.29)
Net Cash from Operating Activities	1,039.43	1,210.18
(B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(85.34)	(235.51)
Sales of Fixed Assets	240.85	805.69
(Purchase) / Sales of Investments	(37.03)	1.90
Long Term Advances	(15.62)	97.84
Net Cash used in Investing Activities	102.86	669.92
(C) Cash Flow from Financing Activities		
Repayment of Finance / Lease / Loan (Net)	234.61	(1,748.17)
Short Term Loan	(972.72)	212.38
Interest Paid on Term Loan	(340.69)	(394.73)
Dividend Paid	(53.58)	(53.58)
Net Cash used in Financial Activities	(1,132.38)	(1,984.10)

PARTICULARS	2023-2024 (₹ in Lakhs)	2022-2023 (₹ in Lakhs)
NET INCREASE IN CASH & CASH EQUIVALENTS (A)+(B)+(C)	9.91	(103.99)
Opening Cash and Cash Equivalents	185.33	289.32
Closing Cash and Cash Equivalents	195.24	185.33

As per our Report of even date
For Rasesh Shah & Associates
Chartered Accountants

CA Rasesh B. Shah
Partner
M.NO. : 034217
Firm Reg. No : 108671W
Place : Surat
Date : 27.05.2024
UDIN : 24034217BKEXYN9265

For and on behalf of the Board
Shahlon Silk Industries Limited

Dhirajlal R. Shah
Chairman
DIN : 00010480

Hitesh K. Garmora
Company Secretary

Arvind R. Shah
Managing Director
DIN : 00010483

Satish H. Shah
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2024

A. EQUITY SHARE CAPITAL

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

As at 31.03.2023

(₹ in Lakhs)

Balance at the beginning of the reporting period i.e. 1st April 2022	Changes in equity share capital during the year 2022-23	Balance at the end of the reporting period 31st March 2023
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 01.04.2023	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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2024

(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 01.04.2022	310.86	2,457.65	4,421.69	487.29	45.59	7,723.08
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-
Total Comprehensive Income for the year	-	377.77	-	-	-	377.77
Dividends	-	(53.58)	-	-	-	(53.58)
Tax on Dividends	-	-	-	-	-	-
Transfer to retained earnings	-	21.02	-	(21.02)	-	-
On Issue of Bonus Share	-	-	-	-	-	-
Transferred to issued capital	-	-	-	-	-	-
Movement in OCI during the year	-	-	-	-	54.23	54.23
Balance at the end of the reporting period 31.03.2023	310.86	2,802.86	4,421.69	466.26	99.82	8,101.49

Notes to Accounts & Significant Accounting Policies
The Notes No. 1 to 27 are Integrated Part of these Financial Statements

As per our Report of even date
For Rasesh Shah & Associates
 Chartered Accountants
 Firm Reg. No : 108671W

CA Rasesh B. Shah
Partner
 M.NO. : 034217
 Place : Surat
 Date : 27.05.2024
 UDIN : 24034217BKEXYN9265

For and on behalf of the Board
Shahlon Silk Industries Limited

Dhirajlal R. Shah
 Chairman
 DIN : 00010480

Hitesh K. Garmora
 Company Secretary

Arvind R. Shah
 Managing Director
 DIN : 00010483

Satish H. Shah
 Chief Financial Officer

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
	TANGIBLE ASSETS: -										
1	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]	-	-	-	-	-	-	-	-	-	-
2	Land	1,676.85	36.57	144.60	1,568.82	-	-	-	-	1,568.82	1,676.85
3	Lease Hold Land Apparel Park (SEZ)	1,085.69	-	-	1,085.69	-	-	-	-	1,085.69	1,085.69
4	Building	4,325.32	-	-	4,325.32	2,781.71	176.19	-	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	-	-	2,412.31	1,728.29	91.60	-	1,819.89	592.42	684.02
7	Natural Gas Based Handset	2.82	-	-	2.82	2.13	-	-	2.13	0.70	0.70
8	Waste Heat Recovery	1.36	-	-	1.36	1.31	-	-	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	0.42060	23.42	202.42	215.92	2.67	23.42	195.17	7.25	9.51
11	Vehicles	352.14	-	1.44	350.70	286.93	19.79	1.36	305.36	45.34	65.21
12	Furniture & Fixtures	127.45	0.45	-	127.90	113.73	3.12	-	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	-	-	93.42	79.02	3.63	-	82.65	10.77	14.40
	SUB-TOTAL (B): -	93.42	-	-	93.42	79.02	3.63	-	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

CAPITAL WORK IN PROGRESS : AGEING

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of 2023-24				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	0.45	2.83	1.01	-	4.28
Projects Temporarily suspended	-	-	27.55	-	-	27.55	-	-	27.55

Notes:

1.1 For properties pledged 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 ₹ 18.71 lakhs (PY. ₹ 21.02 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 31.03.2023
1. PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

SR. NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
		As at 01.04.2022	Addition	Disposals	As at 31.03.2023	Upto 31.03.2022	Deduct	Upto 31.03.2023	As At 31.03.2023	As At 31.03.2022
	TANGIBLE ASSETS:-									
1	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]	-	-	-	-	-	-	-	-	-
2	Land	1,691.51	139.11	153.77	1,676.85	-	-	-	1,676.85	1,691.51
3	Lease Hold Land Apparel Park (SEZ)	1,085.69	-	-	1,085.69	-	-	-	1,085.69	1,085.69
4	Building	4,309.01	16,303.09	-	4,325.32	2,585.88	195.83	2,781.71	1,543.61	1,723.13
5	Plant & Machinery	11,666.97	190,676.08	100.97	11,756.68	8,010.12	550.41	86.33	3,282.49	3,656.86
6	Wind Mill	2,412.31	-	-	2,412.31	1,622.15	106.13	-	684.02	790.15
7	Natural Gas Based Handset	2.82	-	-	2.82	2.13	-	-	0.70	0.70
8	Waste Heat Recovery	1.36	-	-	1.36	1.31	-	-	0.05	0.05
9	Office Equipment	208.13	11,482.75	5.20	214.41	188.25	8.52	5.04	22.68	19.88
10	Computer	234.42	0,784.41	9.79	225.42	220.32	5.34	9.74	9.51	14.10
11	Vehicles	351.28	0,863.38	-	352.14	259.07	27.86	-	65.21	92.21
12	Furniture & Fixtures	125.19	2.26	-	127.45	110.27	3.47	-	13.72	14.92
13	Beam Pipe	132.83	2.28	27.15	107.97	113.02	3.38	26.00	17.57	19.81
	SUB-TOTAL (A): -	22,221.53	363.76	296.88	22,288.41	13,112.51	900.93	127.12	8,402.09	9,109.02
1	INTANGIBLE ASSETS:-									
	Computer (Intangible)	93.42	-	-	93.42	74.57	4.45	-	14.40	18.85
	SUB-TOTAL (B): -	93.42	-	-	93.42	74.57	4.45	-	14.40	18.85
	GRAND TOTAL (A+B): -	22,314.95	363.76	296.88	22,381.83	13,187.08	905.38	127.12	8,416.49	9,127.87
	Last Year Detail (₹ in lakhs)	22,081.49	399.65	166.19	22,314.95	12,315.19	982.40	110.51	9,127.87	9,766.30

(₹ in Lakhs)

CAPITAL WORK IN PROGRESS : AGEING

Particulars	Amount in CWIP for a period of 2022-23				Total	Amount in CWIP for a period of 2021-22				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	0.45	2.83	1.01	-	4.28	41.22	3.30	55.02	-	99.54
Projects Temporarily suspended	-	27.55	-	-	27.55	-	27.55	-	33.00	60.55

Notes: **1.1** For properties pledge 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 ₹ 21.02 lakhs (PY. ₹ 23.65 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 FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

PARTICULARS	As at March 31,2024	As at March 31,2023
2 NON CURRENT INVESTMENTS		
The investment in unquoted equity shares are recorded at cost in the financial statements		
31500 (31500) Shares of Fairdeal Eco Infra Pvt. Ltd.	3.15	3.15
64830 (64830) Shares of The Cosmos Co-Op. Bank Ltd.	79.93	79.93
250050 Shares of NKGSB CO-OP. BANK LTD.	25.01	-
250 Shares of SVC CO-OP. BANK LTD.	0.03	-
48 LTS BOND-NKGSB CO-OP BANK LTD.	12.00	-
TOTAL	120.11	83.08

PARTICULARS	As at March 31,2024	As at March 31,2023
3 OTHER FINANCIAL ASSETS		
Bank Deposits with more than 12 months maturity	80.67	90.24
Agency Deposits	154.18	112.46
TOTAL	234.84	202.71

PARTICULARS	As at March 31,2024	As at March 31,2023
4 OTHER NON CURRENT ASSETS (Unsecured and Considered Good)		
Keyman Insurance Premium	138.04	135.48
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	1.54	3.39
Utility Deposits	212.28	239.08
TOTAL	907.29	933.38

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

PARTICULARS	As at March 31,2024	As at March 31,2023
5 INVENTORIES		
Raw Materials	487.88	932.58
Work-in-progress	101.67	261.55
Finished Goods	2,363.82	2,873.02
Stock- in-trade	4,708.36	2,094.38
Consumable Stores etc.	287.58	295.62
TOTAL	7,949.31	6,457.15

PARTICULARS	As at March 31,2024	As at March 31,2023
6 TRADE RECEIVABLES (Unsecured and Considered Good)		
Trade Receivables - Considered Good	14,544.06	11,861.91
Trade receivables - credit impaired	12.09	7.79
Expected credit loss allowance	(12.09)	(7.79)
TOTAL	14,544.06	11,861.91

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

6.1 Trade Receivables Ageing Schedule

(₹ 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	786.59	14,544.06
(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	-	-	-	-	-	-
(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

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

Particulars	Outstanding for following period from Due date of Payment As at 31st March'2023					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	10,167.40	229.61	478.33	124.30	862.26	11,861.91
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	7.79
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
TOTAL	10,167.40	229.61	478.33	124.30	862.26	11,869.70
Less : Allowances for Bad and Doubt Ful debts						7.79
TOTAL TRADE RECEIVABLES						11,861.91

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, 2024

PARTICULARS	As at March 31,2024	As at March 31,2023
Movement in the expected credit loss allowance		
Balance at the beginning of the year	7.79	38.67
Add : Allowances for Expected credit loss during the year	200.00	234.00
Less: Bad debts written off during the year	195.70	264.89
Balance at the end of the year	<u>12.09</u>	<u>7.79</u>

PARTICULARS	As at March 31,2024	As at March 31,2023
7 CASH AND CASH EQUIVALENTS		
a) Balance with Banks in Current Accounts	-	-
b) Balance with Banks in Unpaid Dividend Accounts	6.85	8.81
c) Cash in Hand	10.39	2.51
TOTAL	<u>17.24</u>	<u>11.32</u>

PARTICULARS	As at March 31,2024	As at March 31,2023
8 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS		
Fixed Deposit with scheduled Bank	97.34	83.77
TOTAL	<u>97.34</u>	<u>83.77</u>

PARTICULARS	As at March 31,2024	As at March 31,2023
9 OTHER CURRENT ASSETS (Unsecured and Considered Good)		
Prepaid Expenses	51.53	53.24
GST Receivables	33.53	75.36
Advances Against Goods & Services	64.32	107.25
Export Excise Rebate/GST Receivable	52.40	111.24
Others (Refer Note 9.1)	301.17	185.52
TOTAL	<u>502.95</u>	<u>532.61</u>

9.1 Others includes Loans and Advances given to employees amounting to ₹ 3.37 Lakhs (P.Y. ₹ 5.15 Lakhs) & Loans given to other parties ₹ 243.48 Lakhs (P.Y. ₹ 141.71 Lakhs) valued at actual amount of outflow.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

PARTICULARS	As at March 31,2024	As at March 31,2023
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	31/03/2024		31/03/2023	
		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	64,00,155	7.17
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	49,88,023	5.59	-	-

• A Reconciliation Statement of No. of Outstanding Shares

PARTICULARS	As at March 31,2024	As at March 31,2023
Equity Shares of Face Value of Rs.2/- each outstanding at the beginning of the year	8,93,02,450	8,93,02,450
Equity Shares of Face Value of Rs.2/- each Outstanding at the end of the year	8,93,02,450	8,93,02,450

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

- 10.2** a) 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, 2024		As at March 31, 2023		% 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%	64,00,155	7.17%	0.03%
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 .	37,71,364	4.22%	36,19,150	4.05%	0.17%
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 DHIRUV ARVIND .	13,98,416	1.57%	13,98,416	1.57%	0.00%
17	BIREN JAYANTILAL CHHEDA .	18,00,000	2.02%	18,00,000	2.02%	-
18	PRAVINCHANDRA RAYCHAND CHHEDA .	16,83,960	1.89%	12,70,460	1.42%	0.46%
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	CHHEDA PRAVINCHANDRA RAYCHAND HUF .	-	0.00%	8,75,000	0.98%	-0.98%
24	SHAH DHIRAJLAL RAICHAND HUF .	8,63,750	0.97%	8,63,750	0.97%	-
25	SONAL DIPAN SHAH .	7,68,740	0.86%	7,68,740	0.86%	-
26	SHAH DIPAN JAYANTILAL HUF .	6,76,250	0.76%	6,76,250	0.76%	-
27	RAVI MAHENDRA SHAH .	4,98,125	0.56%	4,98,125	0.56%	-
28	ANANT ZAVERCHAND GADA	1,20,435	0.13%	1,20,435	0.13%	-
29	LEWELLYN JOSEPH REGO	1,00,000	0.11%	1,00,000	0.11%	-
30	DINESH MICHAEL REGO	42,983	0.05%	42,983	0.05%	-
31	JINESH FULCHANDBHAI SHAH	35,000	0.04%	35,000	0.04%	-
32	DHAVAL JINESH SHAH	29,945	0.03%	29,945	0.03%	-
33	JAYABEN JINESHBHAI SHAH	25,000	0.03%	25,000	0.03%	-
34	BHAVINI DHAVAL SHAH	18,030	0.02%	18,030	0.02%	-
35	SHAH JENIL	10,625	0.01%	10,625	0.01%	-
36	CHHEDA HINA PRAVINCHANDRA	4,37,500	0.49%	-	0.00%	0.49%
	TOTAL NO OF SHARES HELD BY PROMOTERS	6,43,55,098	72.06%	6,42,03,884	71.89%	0.17%

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

PARTICULARS	As at March 31,2024	As at March 31,2023
<u>OTHER EQUITY</u>		
<u>Capital Reserve on Amalgamation</u>		
Opening Balance	4,421.69	4,421.69
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	466.26	487.29
Add: Addition during the year	-	-
Less: Transfer to Profit and Loss A/C	-	-
Less: Reversal during the year	(18.71)	(21.02)
TOTAL (C)	447.56	466.26
<u>Retained Earnings</u>		
As per Last Balance Sheet	2,802.86	2,457.65
Add: Profit/(Loss) for the year	398.16	377.77
Add: Depreciation on Fixed Assets Revaluation	18.71	21.02
Less: Dividend Paid during the year	53.58	53.58
Tax on Dividend Paid	-	-
TOTAL (D)	3,166.15	2,802.86
<u>Other Comprehensive Income (OCI)</u>		
As Per Last Balance Sheet	99.82	45.59
Add: Movement in OCI during the year	42.94	54.23
TOTAL (E)	142.77	99.82
TOTAL (A+B+C+D+E)	8,489.02	8,101.49

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

PARTICULARS	As at March 31,2024	As at March 31,2023
11 FINANCIAL LIABILITIES		
BORROWING		
Secured - At amortised cost		
* (a) Term Loan		
Bank of Baroda	-	2,812.99
SVC CO-OP BANK LTD (Refer Note No. 11.2.c)	2,229.17	-
NKGSB CO-OP BANK LTD. (Refer Note No. 11.2.b)	2,327.75	-
The Cosmos Co-op. Bank Ltd. (Refer Note No. 11.2.a)	79.08	252.23
Mortgage Loan from The Cosmos Co-op. Bank Ltd.	-	127.94
* (b) Vehicle Loan		
Vehicle Loan (Refer Note No. 11.2.d)	10.94	16.91
TOTAL (A)	4,646.94	3,210.08
Unsecured - At amortised cost		
(a) From Company / Bank / LIC of India	531.75	715.35
(b) From Directors / Promoters and their relatives	170.72	237.00
TOTAL (B)	702.48	952.35
TOTAL (A+B)	5,349.41	4,162.43

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	2,747.84	1,899.10	4,646.94
Long Term Unsecured Loan	702.48	-	702.48

11.2 Security Details for secured loan

- a)** Term Loans facilities from The Cosmos Co-op. Bank Ltd. is secured by Hypothecation of Plant and Machinery, 2.10 MW Windmill situated at Village: Valsara, Taluka: Abdasa, Dist.: Kutch AND Equitable Mortgage of Leasehold rights over Factory Land & Building situated at Composite Unit 2, Plot No. 4 and Plot No. 5A at Fairdeal Textile Park, Village: Mahujej, Taluka: Mangrol, Dist.: Surat, Office Premises at T.P. Scheme No.: 6, F.P. No. 233/A, western side of Third Floor, Dawer Chambers, Ring Road, Surat, Property situated at 91, G.I.D.C., Khatodara, B/h. Sub Jail, Ring Road, Surat. Personal Guarantee of Mr. Dhirajlal Raychand Shah, Mr. Arvind Raichand Shah, Mr. Nitin Raichand Shah, Mr. Mahendra Raichand Shah, Mr. Jayantilal Raichand Shah and Mr. Dipan Jayantilal Shah.
- b)** 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 and Leasehold rights over Factory Land & Building situated at Plot No. 3 and Plot No. 15 at Fairdeal Textile Park, Village: Mahujej, Taluka: Mangrol, Dist.: Surat AND 13 Residential Flats in Wing H-1,

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

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, Industrial open land situated at 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) 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 AND Open Industrial land bearing Block No. 1303, situated at Village: Tadkeshwar,Taluka: Mandvi, Dist.: Surat owned by Mr. Mahendra R. Shah. Personal Guarantee of Mr. Dhirajlal Raychand Shah, Mr. Arvind Raichand Shah, Mr. Nitin Raichand Shah and Mr. Mahendra Raichand 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) BANK OF BARODA

Sr. No.	Nature of credit facilities	Terms of Repayment	Amount O/s. as on	
			31/03/2024	31/03/2023
1	Term Loan	Monthly installment of Rs. 6,84,000/-. Last installment will due in July'2023	-	12.27
2	Corporate Loan	Monthly installment of Rs. 11,45,000/-. Last installment will due in March'2024.	-	128.86
3	BGECL 2.0 -I	Total tenure 60 months 12 months Moratorium period AND 48 monthly installment of Rs. Rs.14,06,250/- each. First installment commenced from July'2022 and last installment will due in June'2026	-	548.41
4	BGECL 2.0 -II	Total tenure 60 months 12 months Moratorium period AND 48 monthly installment of Rs.35,41,666.66/- each. First installment commenced from September'2022 and last installment will due in August'2026.	-	1,452.08
5	BGECL 2.0 -III	Total tenure 72 months 24 months Moratorium period AND 48 monthly installment of Rs.31,25,000/- each. First installment commencing from January'2024 and last installment will due in December'2027.	-	1,500.00

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

b) THE COSMOS CO-OPERATIVE BANK LTD.

Sr. No.	Nature of credit facilities	Terms of Repayment	Amount O/s. as on	
			31/03/2024	31/03/2023
1	Term Loan	EMI: Rs.7,46,244/- . Last EMI will due in April'2023	-	7.37
2	Term Loan	EMI: Rs.4,75,689/- . Last EMI will due in October'2023	-	29.55
3	Term Loan	EMI: Rs.17,11,748/- . Last EMI will due in June'2024	48.62	239.21
4	Term Loan	EMI: Rs.6,24,876/- . Last EMI will due in December'2023	-	53.68
5	Term Loan	EMI: Rs.8,27,162/- . Last EMI will due in November'2025	149.56	230.01
6	Mortgage Term Loan	EMI: Rs.18,33,476/- . Last EMI will due in November'2024	-	319.90
7	Term Loan	EMI: Rs.2,54,627/- . Last EMI will due in May'2025	32.58	58.59
8	Term Loan	EMI: Rs.89,296/- . Last EMI will due in August'2026	22.29	30.41
9	Term Loan (DP Based)	EMI: Rs.11,31,724/- . Last EMI will due in February'2024	-	118.33

c) 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. 15,52,780/- . Last EMI will due in February'2034	1,193.53	-
2	Mortgage Term Loan	Monthly EMI of Rs. 16,82,170/- . Last EMI will due in February'2034	1,292.99	-

d) SVC CO-OPERATIVE BANK LTD.

Sr. No.	Nature of credit facilities and Name of Bank	Terms of Repayment	Amount O/s. as on	
			31/03/2024	31/03/2023
1	Corporate Term Loan	Monthly installment of Rs. 20,83,334/- . Last installment will due in February'2034	2,479.17	-

e) VEHICLE LOANS

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	Car Loan from HDFC Bank	EMI: Rs.58,235/- . Last EMI will due in November'2026	16.91	22.46

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

PARTICULARS	As at March 31,2024	As at March 31,2023
12 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability/(Assets) on account of :		
Depreciation on Fixed Assets	159.02	139.39
Provisions for Bad Debts	(3.36)	(1.62)
Provision for Bonus	(2.01)	(2.03)
Provision for Leave	(2.13)	(1.81)
Provision for Gratuity	(37.22)	(28.62)
Deferred Tax Liabilities(NET)	TOTAL	TOTAL
	114.30	105.30

PARTICULARS	As at March 31,2024	As at March 31,2023
13 OTHER NON CURRENT LIABILITIES		
<u>Capital Subsidy under TUF</u>		
Opening Balance	177.88	184.47
Add: Addition during the year	-	-
Less: Proportionate Capital Subsidy transferred to Profit and Loss Account	(6.59)	(6.59)
	TOTAL	TOTAL
	171.29	177.88

PARTICULARS	As at March 31,2024	As at March 31,2023
14 SHORT TERM BORROWING		
Secured		
<u>Working Capital Loan</u>		
Bank of Baroda Rupee Loan (Refer Note No. 14.1.a)	2,487.94	2,454.22
Cosmos Bank Rupee Loan (Refer Note No. 14.1.b)	1,881.43	3,668.97
Cosmos Bank PCFC/PSCFC Loan (Refer Note No. 14.1.b)	275.70	123.57
NKGSB CO-OP BANK LTD CC (Refer Note No. 14.1.c)	994.80	-
SVC CO-OP BANK LTD CC (Refer Note No. 14.1.d)	990.10	-
Foreign Bills under LC Discounting (Refer Note No. 14.1.e)	228.26	589.04
	TOTAL (A)	TOTAL
	6,858.23	6,835.80
Unsecured		
ICICI Bank Ltd. (Under Channel Financing)	497.66	540.44
	TOTAL (B)	TOTAL
	497.66	540.44
Current Maturities of Long Term Secured Loan	588.71	1,541.08
	TOTAL (C)	TOTAL
	588.71	1,541.08
	TOTAL (A+B+C)	TOTAL
	7,944.60	8,917.32

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

14.1 Security Details for secured loan

Primary security for working capital (For all Banks):

Cash Credit facilities from Bank of Baroda, The Cosmos Co-op. Bank Ltd., NKGSB Co-op. Bank Ltd. AND SVC 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 of 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 and Block no. 141, Plot no. 3, Block no. 146, Plot no. 3/A & 13, Block no. 149, Plot no. 12/A & 12/B at Village: Mota Borasara, Taluka: Mangrol, Dist. Surat, open Industrial land situated at Plot no.: Composite unit-1, Fairdeal Textile Park, Village: Mahuvej, Taluka: Mangrol, Dist.: Surat and office premises situated at eastern side of third floor, Dawer Chambers, Ring Road, Surat. 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 Leasehold rights over Factory Land & Building situated at Composite Unit 2, Plot No. 4 and Plot No. 5A at Fairdeal Textile Park, Village: Mahuvej, Taluka: Mangrol, Dist.: Surat, Office Premises at T.P. Scheme No.: 6, F.P. No. 233/A, western side of Third Floor, Dawer Chambers, Ring Road, Surat, Property situated at 91, G.I.D.C., Khatodara, B/h. Sub Jail, Ring Road, Surat. Personal Guarantee of Mr. Dhirajlal Raychand Shah, Mr. Arvind Raichand Shah, Mr. Nitin Raichand Shah, Mr. Mahendra Raichand Shah, Mr. Jayantilal Raichand Shah and Mr. Dipan Jayantilal 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 and Leasehold rights over Factory Land & Building situated at Plot No. 3 and Plot No. 15 at Fairdeal Textile Park, Village: Mahuvej, Taluka: Mangrol, Dist.: Surat AND 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, Industrial open land situated at 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 AND Open Industrial land bearing Block No. 1303, situated at Village: Tadkeshwar, Taluka: Mandvi, Dist.: Surat owned by Mr. Mahendra R. Shah. 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, 2024

(₹ in Lakhs)

PARTICULARS	As at March 31,2024	As at March 31,2023
15 TRADE PAYABLES		
(a) Micro and Small Enterprises (Refer Footnotes (i) and (ii))	1,166.55	2,903.45
TOTAL (A)	1,166.55	2,903.45
(b) Other		
(i) For Goods & Other Purchases	4,154.62	1,227.08
(ii) For Expenses	1,715.21	575.65
TOTAL (B)	5,869.83	1,802.73
TOTAL (A+B)	7,036.39	4,706.18

Foot Notes :
Trade Payable Ageing Schedule

(₹ in Lakhs)

Particulars	As At March 31, 2024					Total
	Outstanding for following period from Due date of Payment					
	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	-	-	-	-	-	-

Trade Payable Ageing Schedule

(₹ in Lakhs)

Particulars	As At March 31, 2023					Total
	Outstanding for following period from Due date of Payment					
	NOT Due	Less than 1 year	1-2 year	2-3 years	More than 3 years	
(I) MSME	2,319.56	547.39	34.99	1.51	-	2,903.45
(ii) others	449.37	1,333.04	-	3.84	16.48	1,802.73
(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, 2024

(₹ in Lakhs)

PARTICULARS	As at March 31,2024	As at March 31,2023
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	1,166.55	2,903.45
(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 31,2024	As at March 31,2023
16 OTHER CURRENT LIABILITIES		
Advance From Customers	522.71	286.26
Other Payables	41.68	43.17
Provision for earned Leave	7.66	8.67
Provision for earned Bonus	7.22	9.73
Provision for gratuity	133.79	137.17
Interest accrued but not due on borrowings	24.19	10.03
Unclaimed Dividend	6.85	8.81
Statutory dues towards TDS/GST etc.	61.20	44.05
TOTAL	805.29	547.89

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

PARTICULARS	2023-24	2022-23
17 REVENUE FROM OPERATIONS		
<u>Sale of Products</u>	29,734.33	29,219.12
Add : Job Work Income	319.49	378.25
TOTAL (A)	30,053.82	29,597.37
<u>Other Operating Revenue</u>		
Sale of Power/Windmill Energy (Captive Consumption)	511.58	469.16
Profit/(Loss) on sale of Assets / Investment	12.38	23.16
Dividend	5.19	5.19
Other Operating Income	84.43	83.55
Proportionate Capital Subsidy on Plant & Machinery	6.59	6.59
Factory Shed Rent	81.44	42.99
Commission Income Net	314.67	597.28
Income/(Loss) from Currency Swap / Exch. Variance	17.66	36.88
TOTAL (B)	1,033.94	1,264.80
<u>Other Income</u>		
Interest	51.34	34.60
TOTAL (C)	51.34	34.60
TOTAL (A+B+C)	31,139.09	30,896.76

17.1 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	2023-24	2022-23
18 COST OF MATERIALS CONSUMED		
Raw Material Consumed (Indigenous)	9,571.83	11,395.06
Raw Material Consumed (Imported)	142.88	86.93
TOTAL	9,714.71	11,481.99

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

PARTICULARS	2023-24	2022-23
18.1 Opening Stock	932.58	1,359.89
Purchase Indigenous	9,162.38	10,933.21
Purchase Imported	107.63	121.46
	10,202.59	12,414.56
Less : Closing Stock	487.88	932.58
TOTAL	9,714.71	11,481.99

PARTICULARS	2023-24	2022-23
19 Change in Inventories of Finished Goods, Stock-in-trade & Work-in-progress		
FINISHED GOODS		
<u>A. Opening Stock</u>		
WIP Goods	261.55	195.92
Finished Goods / Stock in Trade	4,967.40	5,171.58
TOTAL (A)	5,228.95	5,367.50
<u>B. Closing Stock</u>		
WIP Goods	101.67	261.55
Finished Goods / Stock in Trade	7,072.18	4,967.40
TOTAL (B)	7,173.85	5,228.95
<u>(INCREASE)/DECREASE IN STOCK</u>	TOTAL (A-B)	
	(1,944.90)	138.55

PARTICULARS	2023-24	2022-23
20 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	1,932.48	2,603.10
Directors Remuneration	162.65	162.65
EX-GRATIA PAYMENT OF KEY MAN INSURANCE*	-	78.18
Contribution to Provident & Superannuation Fund	87.06	106.73
Group Gratuity Premium Expense	42.23	68.48
Staff Welfare Expenses	41.62	49.88
TOTAL	2,266.04	3,069.01

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

* Till the previous year premium paid for key man insurance policy was shown under the head "Other Non-Current Asset" in the balance sheet but IN F.Y. 2022-23 maturity amount received from insurance company in the respective employees' account and the same was transferred to "Ex Gratia Payment of Key Man Insurance" in the Profit & Loss Account.

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	2023-24	2022-23
20.1 Defined Benefit Plan		
Reconciliation of opening and closing balances of Defined benefit obligation		
Particulars		
Defined Benefit Obligation at beginning of the year	399.47	406.01
Add: Current service cost	40.94	57.93
Interest Cost	21.01	29.35
Actuarial (Gain)/Loss	(30.14)	(62.88)
Benefits paid	(50.90)	(30.95)
Defined Benefit Obligation at end of the year	380.38	399.47
Reconciliation of opening and closing balances of fair value of Plan Assets		
Gratuity (Funded)		
Opening value	262.30	260.14
Contributions of Employer	2.66	22.95
Investment Income (calculated @ 7%, (P.Y. @ 7%) which is the discount rate)	19.72	18.81
Return on plan assets, excluding amount recognized in net interest expense	12.80	(8.65)
Benefits paid	(50.90)	(30.95)
Fair value of Plan Assets at end of the year	246.59	262.30
Return on plan assets, excluding amount recognized in net interest expense	12.80	(8.65)

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

PARTICULARS	2023-24	2022-23
Reconciliation of fair value of Assets and Obligations	Gratuity (Funded)	Gratuity (Funded)
Fair Value of Plan Assets	246.59	262.30
Present Value of Defined Benefit Obligation	380.38	399.47
Amount recognized in Balance sheet [Surplus/Deficit]	133.79	137.17
Expenses recognised during the year	Gratuity (Funded)	Gratuity (Funded)
In Income Statement		
Current Service Cost	40.94	57.93
Interest Cost	21.01	29.35
Investment Income	(19.72)	(18.81)
Net Cost	42.23	68.48
In Other Comprehensive Income		
Actuarial (Losses)/Gain	(42.94)	(54.23)
Net Income/(Expenses) for the year recognized in OCI	(42.94)	(54.23)
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)	0.05	0.05

PARTICULARS	2023-24	2022-23
21 FINANCE COST		
Bank Charges	95.84	38.09
Term Loan Interest	340.69	394.73
Working Capital Interest	709.39	677.40
Interest on Unsecured Loan	100.81	59.11
Interest Paid to Suppliers of Goods	154.19	171.98
Bill Discounting Interest	76.06	77.02
Interest On Vehicle Finance	1.41	1.94
TOTAL	1,478.39	1,420.28

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

PARTICULARS	2023-24	2022-23
22 DEPRECIATION AND AMORTISATION EXP.		
Depreciation for the period	781.67	905.38
TOTAL	781.67	905.38

(₹ in Lakhs)

PARTICULARS	2023-24	2022-23
23 OTHER EXPENSES		
<u>Other Manufacturing Expenses</u>		
Consumable Stores (Refer Note No. 23.3 to 23.5)	351.23	825.12
Power and Fuel	1,123.68	1,657.83
Repairs - Plant & Machinery	81.86	86.57
- Buildings	22.66	35.05
Factory Expense	105.78	129.28
Job Charges	59.85	88.84
Wind Mill Exp.	139.24	161.43
TOTAL (A)	1,884.29	2,984.12
<u>Windmill Expenses</u>		
Lease Rent	3.40	3.12
Insurance	2.87	3.88
Repairs & Maintenance	117.84	122.63
Professional Expenses	1.18	1.12
Fees & Taxes	0.00	0.05
Term Loan Interest	13.95	30.64
	139.24	161.43
<u>Selling & Distribution Expenses</u>		
Tempo Freight and Octroi	77.37	118.58
Expected Credit loss Allowance	200.00	234.00
Advertisement Expense	21.26	95.48
Brokerage Expenses	35.32	68.56
TOTAL (B)	333.95	516.62

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

PARTICULARS	2023-24	2022-23
<u>Administrative & Other Expenses</u>		
Rent	1.63	1.63
Insurance	37.95	40.53
Director's Fees	3.30	2.70
Donation	-	0.78
Electricity Expenses	11.65	10.43
Travelling and Conveyance Expenses	79.15	100.58
Postage and Telephone Expenses	21.26	26.21
Auditors Remuneration	7.30	6.40
Computer Expenses	9.18	10.14
Legal and Professional Expenses	146.57	108.95
Repair & Maintenance of Furniture & Off. Equip.	8.19	9.50
Printing and Stationary Expenses	8.34	8.97
General Expenses	14.84	12.31
ISO 9001:2000 Certification Exp.	-	0.21
TOTAL (C)	349.36	339.35
TOTAL (A+B+C)	2,567.60	3,840.10

PARTICULARS	2023-24	2022-23
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23.1 Payment to Auditors as:

(a) As an Auditor (Including Tax Audit Fees)	7.30	6.00
(b) Capacity in respect of :		
(i) Company Law Matter	-	-
(ii) Taxation Matter	-	-
(iii) Management Services	-	-
(iv) In any other manner	-	0.40
(v) Reimbursement of expenses	-	-

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

PARTICULARS	2023-24	2022-23
23.2 Expenditure in foreign currency (On Payment Basis)		
i) Foreign Travelling Expenses	5.55	7.96
ii) Consumables Stores	30.39	37.98
iii) Raw Materials	95.23	110.84
iv) Capital Goods	1.46	65.74
v) Export Commission	17.88	28.06
vi) Business Convention Expenses	4.51	51.33
PARTICULARS	2023-24	2022-23
23.3 PACKING MATERIAL		
Opening Stock	19.23	25.69
Purchase Indigenous	69.93	143.27
Purchase Imported	-	-
	89.16	168.96
Less : Closing Stock	18.84	19.23
TOTAL	70.32	149.73
PARTICULARS	2023-24	2022-23
23.4 CHEMICAL & OIL		
Opening Stock	24.96	23.52
Purchase Indigenous	89.85	340.94
Purchase Imported	-	-
	114.81	364.46
Less : Closing Stock	17.09	24.96
TOTAL	97.73	339.50

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

PARTICULARS	2023-24	2022-23
23.5 STORES		
Opening Stock	249.01	241.82
Purchase Indigenous	144.23	299.52
Purchase Imported	36.11	43.55
	429.35	584.89
Less : Closing Stock	246.17	249.01
TOTAL	183.18	335.89

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
23.6 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	5	5
b) No. of equity shares face value Rs.2/- (PY Rs.2)	3,43,460	3,43,460
c) i) Amount of Dividend Paid (Net) (Amount in Lakhs)	0.16	0.16
ii) Tax Deducted at Source (Amount in Lakhs)	0.04289	0.04289
iii) Year to which dividend relates	2022-23	2021-22

PARTICULARS	2023-24	2022-23
24 EARNINGS PER SHARE (EPS)		
1. Net Profit as per Profit and Loss Account available for Equity Shareholders (₹ in Lakhs)	398.16	377.77
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 ₹)	0.45	0.42
4. Diluted Earnings Per Share (in ₹)	0.45	0.42
5. Face value per share	₹ 2	₹ 2

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

25 The ratios for the year ended March 31, 2024 and March 31, 2023 are as follows :

Sr. No.	Particulars	Numerator	Denominator	2024	2023	Variance in %
(a)	Current Ratio	Current Assets	Current Liabilities	1.44	1.33	8.74%
(b)	Debt-Equity Ratio	Total Debt	Total Equity	1.29	1.32	-2.20%
(c)	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.95	1.02	-6.84%
(d)	Return on Equity Ratio	Profit for the year	Average Total Equity	3.95%	3.90%	1.39%
(e)	Inventory turnover ratio	Sale of Goods and Jobwork Income	Average Inventory	4.17	4.39	-4.92%
(f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivable	2.35	2.89	-18.45%
(g)	Trade payables turnover ratio *	Purchases and Other Services	Average Trade Payables	5.35	7.16	-25.20%
(h)	Net capital turnover ratio**	Revenue from Operations	Working Capital	4.38	6.61	-33.73%
(i)	Net profit ratio	Profit for the year	Revenue from Operations	1.28%	1.22%	4.63%
(j)	Return on Capital employed	EBIT (bank charges reduced)	Capital Employed	8.42%	8.22%	2.37%
(k)	Return on investment	Earnings from invested funds	Average invested funds in Treasury Investments	5.11%	6.17%	-17.29%

* Trade payable turnover ratio is decreased due to increase in trade payable by 53.64% as compared to previous year

** Net capital turnover ratio has decreased due to an increase in working capital by 52% compared to last year.

26 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, 2024	Amount	Balance as on March 31, 2023
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) Job Charges	3.54 3.74 17.96 1.93 -	NIL	6.25 3.12 18.45 1.93 0.65	NIL
2	Lotus Marketing (Common Control of Key Managerial Personnel)	Lease Rent Income Bill Disc. Int. Sales Purchase	83.25 8.72 16.42 22.44	NIL	47.21 - 0.08 -	NIL
3	Autotech Non-Wovens Pvt. Ltd. Common Control of Key Managerial Personnel)	Sales Sales of Services Job Income Reimbursement of Expenses	1.99 75.34 7.16 14.96	4.34 Dr	33.02 18.60 4.78 6.28	10.08 Dr

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

Sr. No.	Name of the Related Party	Nature of Transaction	Amount	Balance as on March 31,2024	Amount	Balance as on March 31, 2023
4	Shahlon Enterprises LLP (Common Control of Key Managerial Personnel)	Sale Income Job Income Bill Disc. Interest Interest Income Purchase Job Charges	164.93 41.63 6.10 - 38.95 611.11	NIL	57.85 6.53 3.30 0.06 59.75 857.03	NIL
5	Shri Dhirajlal R. Shah (Key Managerial Personnel)	Key Management / Director's Remuneration Interest on Unsecured Loan	54.22 3.85	9.47 Cr	54.22 0.27	4.95 Cr
6	Shri Arvind R. Shah (Key Managerial Personnel)	Key Management / Director's Remuneration Interest on Unsecured Loan	54.22 4.24	10.92 Cr	54.22 1.19	86.82 Cr
7	Shri Jayantilal R. Shah (Relative of Key Managerial Personnel)	Remuneration as Head Accounts & Legal Interest on Unsecured Loan	54.22 2.85	2.56 Cr	54.22 0.22	13.89 Cr
8	Shri Mahendra R. Shah (Relative of Key Managerial Personnel)	Remuneration as GM Operations Interest on Unsecured Loan	42.22 1.73	31.56 Cr	42.22 0.06	1.06 Cr
9	Shri Dipan J. Shah (Belonging to Promoters Group)	Remuneration as GM Marketing Interest on Unsecured Loan	54.22 5.08	54.58 Cr	54.22 0.63	59.97 Cr
10	Shri Nitin R. Shah (Key Managerial Personnel)	Key Management / Director's Remuneration Interest on Unsecured Loan	54.22 10.52	19.47 Cr	54.22 0.99	36.89 Cr
11	Smt. Minaxi N. Shah - (Relative of Key Managerial Personnel)	Interest on Unsecured Loan	3.80	3.42 Cr	0.27	0.24 Cr
12	Shri Dhruv A. Shah (Relative of Key Managerial Personnel)	Remuneration as Marketing Executive-Export Interest on Unsecured Loan	24.22 7.88	7.09 Cr	24.22 0.12	10.10 Cr
13	Smt. AVANI A. SHAH - (Relative of Key Managerial Personnel)	Interest on Unsecured Loan	0.69	0.62 Cr	NIL	NIL

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

Sr. No.	Name of the Related Party	Nature of Transaction	Amount	Balance as on March 31,2024	Amount	Balance as on March 31, 2023
14	Smt. KANCHAN D. SHAH - (Relative of Key Managerial Personnel)	Interest on Unsecured Loan	2.66	14.30 Cr	NIL	NIL
15	Shri Satish Shah (Key Managerial Personnel)	Remuneration	16.73	NIL	16.52	NIL
16	Shri Hitesh Garmora (Key Managerial Personnel)	Remuneration	17.02	NIL	16.76	NIL

27 Other Statutory Information

- 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.
- The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year.
- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 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.
- 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.
- 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.
- 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.
- The Company does not have any subsidiary company. Hence, there is no Compliance required in respect of number of layers of companies.
- 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.

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2024

- 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).
- 12 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 Rasesh Shah & Associates
Chartered Accountants
CA Rasesh B. Shah
Partner
M.NO. : 034217
Firm Reg. No : 108671W
Place : Surat
Date : 27.05.2024
UDIN : 24034217BKEXYN9265

For and on behalf of the Board
Shahlon Silk Industries Limited

Dhirajlal R. Shah
Chairman
DIN : 00010480

Arvind R. Shah
Managing Director
DIN : 00010483

Hitesh K. Garmora
Company Secretary

Satish H. Shah
Chief Financial Officer

Notes to Financial Statements for the Year ended on 31st March, 2024

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 address of its registered office is 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, Khatodata, Ring Road, Surat, Gujarat, India -395002. The equity shares of the company are listed on the Bombay Stock Exchange (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) 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 Companies 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, 2024.

(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, 2024

- 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 lakhs 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 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 used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

Notes to Financial Statements for the Year ended on 31st March, 2024

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 asset.

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 meets 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, 2024

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to 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)

Tax expenses for the period, comprising current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Provision for current tax is made based on tax liability computed after considering tax allowances and exemptions in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred tax liability is recognized based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Tax expense/(credit) recognized in the Statement of Profit and Loss for the year ended 31.03.2024:

Sr. No.	Particulars	Amount (In ₹)
1.	Opening Balance of DTA / (DTL)	105.30
2.	Deferred Tax Assets / (Liabilities) of the period	8.99
3.	Closing Balance of DTA / (DTL)	114.30

Notes to Financial Statements for the Year ended on 31st March, 2024

(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 incoterms 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.
- Dividend income is recognized when the right to receive the dividend is established by the reporting date, which is generally when shareholders approves the dividend.
- Interest income is recognized using the effective interest method (EIR) and accounted on accrual basis. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of a financial liability or a financial asset to their gross carrying amount.
- Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.
- 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 are 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, unless included in the effective interest calculation: INDAS 115.
 - 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, 2024

(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, 2024

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, 2024

(I) 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.
- Lotus Marketing
- Autotech Non-Wovens Pvt. Ltd.
- Shahlon Enterprises LLP

ii. Key Management Personnel (KMP):

- Shri Dhirajlal R. Shah
- Shri Arvind R. Shah
- Shri Nitin R. Shah

a) Company Secretary

- Hitesh Garmora

b) Chief Financial Officer

- Satish Shah

iii. Promoters Group :

- 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

v. Other related parties – NIL

(J) 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

Notes to Financial Statements for the Year ended on 31st March, 2024

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.

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

Notes to Financial Statements for the Year ended on 31st March, 2024

- 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.

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 (P&L). 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. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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

Notes to Financial Statements for the Year ended on 31st March, 2024

analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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.

Calculation of EPS as appearing in Statement of Profit and Loss Account:

Sr. No.	Particulars	Current Period	Previous Year
(I)	Net profit/(loss) as per Profit & Loss A/c* (Rs. In Lakhs)	398.16	377.77
(ii)	Net Profit/(loss) adjusted from reserves		
(iii)	Net Profit Attributable to ordinary Shareholders[(i)+(ii)]	398.16	377.77
(ii)	Weighted average number of shares for Basic Earnings per share	8,93,02,450	8,93,02,450
(iii)	Weighted average number of shares for Diluted Earnings per share	8,93,02,450	8,93,02,450
(iv)	Nominal value per share	2	2
(v)	Basic earnings per share (₹)	0.45	0.42
(vi)	Diluted earnings per share (₹)	0.45	0.42

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.

(K) 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.

Notes to Financial Statements for the Year ended on 31st March, 2024

* 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.

(L) 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.

(M) 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.

(N) 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, 2024

Contingent Liabilities:

Sr. No.	Particulars	As at 31st March, 2024	As at 31st March, 2023
(I)	Contingent Liabilities		
	(A) Claims against the company/disputed liabilities not acknowledged as debts:		
	(i) Demand under Rule 16A of the Drawback, 1995 for A.Y. 2015-16	2.58	2.58
	(ii) Demand u/s. 143(3) r.w.s. 147 of the IT Act, 1961 for A.Y. 2012-13	Nil	23.59
	(iii) 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
	(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
	Commitments		
(II)	(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, 2024

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. DGVL/C&R/PPP/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 paise 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.

(O) 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.

(P) 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.

(Q) 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

Notes to Financial Statements for the Year ended on 31st March, 2024

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.

(R) 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.

(S) 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.

- (T)** Earning in foreign exchange: F.O.B. values of exports Rs.1,765.43 lakhs (Pre. Year Rs. 2,906.91 lakhs)
- (U)** Sales/Purchase included inter-divisional transfers of NIL (Pre. Year NIL)
- (V)** Debtors of Rs.14,544.06 lakhs include Rs.4.34 lakhs (Pre. Year Rs. 11,861.91 lakhs includes Rs. 10.08 lakhs) due from concern in which Directors are interested.

As per our Report of even date
For Rasesh Shah & Associates
Chartered Accountants
Firm Reg. No : 108671W

CA Rasesh B. Shah
Partner
M.NO. : 034217
Place : Surat
UDIN: 24034217BKEXYN9265
Date : 27.05.2024

For and on behalf of the Board
Shahlon Silk Industries Limited

Dhirajlal R. Shah
Chairman
DIN : 00010480

Hitesh K. Garmora
Company Secretary

Arvind R. Shah
Managing Director
DIN : 00010483

Satish H. Shah
Chief Financial Officer

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM

To,
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:
Ph.: 0261-3603200

Dear Sir/Madam,

RE: Registration for remittance of dividend through electronic mode

I/We wish to avail ECS facility of the Company for remittance of dividend through electronic mode. Please take on your records my/our following details for the said purpose.

Registered Folio No. : No. of shares :

A. Identity Details (FILL IN CAPITAL LETTERS ONLY)			
Name of Sole/Joint Holder(s)	Father's/Husband's Name	Surname of Sole/Joint Holder(s)	Date of Birth

B. Contact Details			
Name of Sole/Joint Holder(s)	E-mail Id	Contact No. (with STD Code)	Registered Address

C. Permanent Account Number (PAN) (MANDATORY)		
Sole/First Holder	Second Holder	Third Holder

ELECTRONIC CLEARING SERVICE (ECS) DETAILS : (Please fill in Capital Letters only)

Bank Name																											
Branch Name																											
Branch Code	<table border="1"> <tr> <td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td> </tr> </table>																			(9 Digits code number appearing on the MICR Band of the cheque supplied by the Bank) Please attach following documents as a mandatory requirement to register/update your ECS details: 1. A cancelled leaf or a xerox copy of a blank cheque of shareholder's bank account duly cancelled for ensuring accuracy of the bank's name, branch name and code number. 2. Xerox copy of PAN Card of the shareholder including all the joint holders.							
Bank Account No.	<table border="1"> <tr> <td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td> </tr> </table>																										
	(As appearing on the cheque book)																										
Type of Account	<table border="1"> <tr> <td style="text-align: center;">S.B. Account</td> <td style="text-align: center;">Current Account</td> <td style="text-align: center;">Cash Credit Account</td> </tr> </table>			S.B. Account	Current Account	Cash Credit Account																					
S.B. Account	Current Account	Cash Credit Account																									
	(Please tick whichever is applicable)																										

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness in information supplied as above, Shahlon Silk Industries Limited will not be held responsible for the same.

I/We further undertake to inform the Company any change in my/our Bank details and Account Number.

Signature(s) as per specimen recorded with Company		
Sole/First Holder	Second Holder	Third Holder

Place: _____ Date: _____

Important Notes:

- The Company will register ECS details in its database only if the signatures of the shareholder(s) match with specimen signatures on records of the Company.**
- After ECS registration, dividend, as and when declared by the Company, will be remitted into the bank account as per the details registered with the Folio No. / DP ID & Client ID of the shareholder.
- Shareholders are requested to keep the Company informed as and when there is any change in bank details registered with the Company.
- Unless bank details are changed by the shareholder(s) by sending communication in writing, the Company will continue to remit dividend, as and when declared by Company, as per the details registered with the Company.
- On dematerialization of existing physical shares for which shareholder(s) have availed ECS facility, the bank details are required to be submitted to DP of the shareholder for availing ECS facility.

INTIMATION FORM FOR CHANGE/CORRECTION IN ADDRESS OF COMMUNICATION

FOR SHAREHOLDING IN PHYSICAL FORM	FOR SHAREHOLDING IN DEMAT FORM
<p>TO, 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:</p>	<p>TO BE SENT TO YOUR DEPOSITORY PARTICIPANT (DP)</p>

Dear Sir/Madam,

Re. : Change/Correction in address of communication

Please refer to my/our shareholding in Shahlon Silk Industries Limited as per below mentioned details:

1. No. of equity shares held:

2. (I) For shareholding in physical form:

Registered Folio No.:

(ii) For shareholding in Demat Form:

DP ID: **Client ID:**

I/We hereby request to change my/our address of communication as per below details, under an intimation to me/us.
(Please fill in the details in CAPITAL LETTERS ONLY)

Old Address
Flat/Block/House No. :
Building/House Name :
Landmark Details :
Road/Lane/Area Name I :
Road/Lane/Area Name II :
City :
State :
PIN Code :

New Address
Flat/Block/House No. :
Building/House Name :
Landmark Details :
Road/Lane/Area Name I :
Road/Lane/Area Name II :
City :
State :
PIN Code :

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness in information supplied as above, Shahlon Silk Industries Limited will not be held responsible for the same.

I/We further undertake to inform the Company any change in my address of communication.

Thanking You,

	Name	Signature
Sole/First Holder		
Second Holder		
Third Holder		

Place: _____ Date: _____

Important Notes :

1. The Company or its R & T Agent will update the new address in database only if the signatures of the shareholders match with specimen signature on record of the Company.
2. This form must be accompanied by one self-attested copy of new address proof in the name of the shareholder (e.g. Aadhar, Driving License, Passport, Ration Card and Light Bill/Gas Bill)

FOR ATTENTION OF MEMBERS HOLDING SHARES IN PHYSICAL FORM

Date :

Dear Shareholder(s)

Sub: (1) Submission of PAN and Bank Details

(2) Intimation of Share Transfer in Demat form only w.e.f April 1, 2019

Ref: (1) SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20thApril, 2018; and

(2) Amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette Notification dated June 8, 2018

This has reference to above mentioned circular and notification of Securities and Exchange Board of India regarding collection of PAN and Bank Account details of all securities holders holding securities in physical form and intimation to them about transfer of securities only in dematerialized form w.e.f April 1, 2019.

In order to comply with above circular, you are requested to provide us the copy of PAN card and Bank Details (Cancelled Cheque leaf with name of the first holder/attested bank passbook showing name of account holder) **within 21 days from the date of the receipt of this letter.**

It may further be noted that pursuant to the above referred SEBI Notification, transfer in securities of the Company shall be allowed in dematerialized form only w.e.f April 1, 2019 and therefore shareholders of the Company still holding shares in physical certificates are hereby advised to dematerialize their shares as soon as possible.

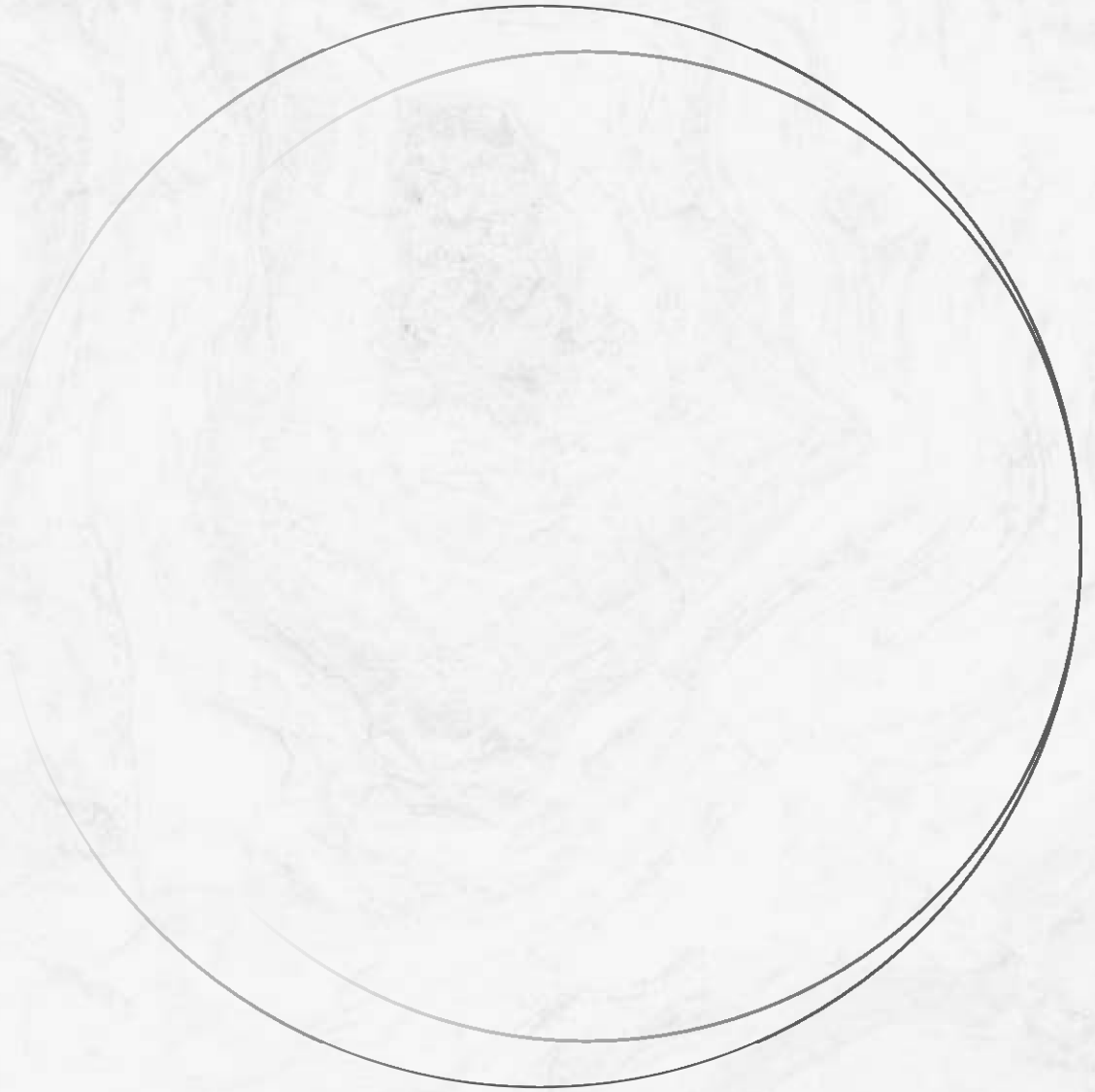
Detailed procedure of dematerialization of securities of the Company and guidance for transfer of shares have been displayed at the website of the Company at www.shahlon.com for the information of the shareholders.

Thanking You

For Shahlon Silk Industries Limited

Sd/-

Company Secretary



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:

Contact : 0261 - 3603200 | info@shahlon.com
Website: www.shahlon.com