

SHANTAI INDUSTRIES LIMITED

CIN: L74110GJ1988PLC013255

Reg Office: 820, Golden Point, Nr. Telephone Exchange, Begampura, Falsawadi, Ring Road, Surat-395003
Website: www.shantaiindustrieslimited.com , Email-id: shantaiindustriesltd@gmail.com, Tel: 9913425000

Date: 01/09/2025

To,
BSE LIMITED
Phiroze Jeejeebhoy towers,
Dalal Street,
Mumbai- 400 001.

Scrip ID/ Code / ISIN: SHANTAI/ 512297/ INE408F01024
Subject: Annual Report for the Financial year 2024-25
Reference No: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/ Madam,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report of the company for the financial year 2024-25 and is also available on the website of the company at www.shantaiindustrieslimited.com.

This is for your information and record.

Yours Faithfully,
For Shantai Industries Limited

Harishbhai Fatandas Sawlani
Managing Director
DIN: 00831848

Enclosure: - Annual Report for Financial year 2024-2025.

SHANTAI INDUSTRIES LIMITED
ANNUAL REPORT
2024-25

LIST OF CONTENTS

| <u>Contents</u> | <u>Page no.</u> |
|---|------------------------|
| Notice of 40th Annual General Meeting | 3 |
| Director's Report | 27 |
| Management Discussion and Analysis Report | 42 |
| Secretarial Audit Report | 47 |
| Independent Auditors Report & Financials | 56 |

CORPORATE INFORMATION

BOARD OF DIRECTORS

- | | |
|---------------------------------------|--------------------------------------|
| • Mr. Harishbhai Fatandas Sawlani | - Chairman and Managing Director |
| • Mr. Vasudev Fatandas Sawlani | - Whole-time Director |
| • Mrs. Reena Harish Sawlani | - Non-Executive Director |
| • Mr. Vipulbhai Subhashchandra Munshi | - Non-Executive Independent Director |
| • Mrs. Vandanaben Satishbhai Dalal | - Non-Executive Independent Director |

COMPANY SECRETARY & COMPLIANCE OFFICER

CS Shipra Mehta

CHIEF FINANCIAL OFFICER

Shailesh Joseph Damor

STATUTORY AUDITOR

DSI & Co.

Chartered Accountants

MF/14-26, Nariman Point Shopping Centre,
Surat 395007

Ph no. 0261-22230320

REGISTER & TRANSFER AGENT

MCS Share Transfer Agent Limited

Registrar to Issue & Share Transfer Agents

9 Shiv Shakti Industrial Estate, 1st Fl,
Neelam Apartment, 88, Sampatrao Colony,
Above Chhapanbhog, Alkapuri, Vadodara-
390007

Email Id: mcsltdbaroda@gmail.com

Website: www.mcsregistrars.com

Ph. No.: +91- 0265-2314757 - 2350490

Tele Fax: +91-0265-2341639

REGISTERED OFFICE

Shop 10 2nd Floor, Agrasen Point, Nr
Agrasen Bhavan, Citylight Road, Bharthana,
Surat -395007

Ph. No.: +91-9913425000

Email: shantaiindustriesltd@gmail.com

Website:

www.shantaiindustrieslimited.com

CIN: L46411GJ1988PLC013255

AUDIT COMMITTEE

Vipulbhai Subhashchandra Munshi – Chairman
Vandanaben Satishbhai Dalal- Member
Harishbhai Fatandas Sawlani- Member

NOMINATION & REMUNERATION COMMITTEE

Vipulbhai Subhashchandra Munshi - Chairman
Vandanaben Satishbhai Dalal - Member
Reena Harish Sawlani – Member

STAKEHOLDER'S SHAREHOLDERS & INVESTOR GREIVANCES COMMITTEE

Reena Harish Salwani- Chairman
Vipulbhai Subhashchandra Munshi – Member
Vandanaben Satishbhai Dalal – Member

ISIN : INE408F01024

Scrip Code: 512297

BANKER TO THE COMPANY

HDFC Bank Limited

IDBI Bank Limited

Bank of Baroda

Kotak Mahindra Bank

40TH ANNUAL GENERAL MEETING

Date: Wednesday, 24th September, 2025

Time: 04:00 P.M.

Venue: Shop 10 2nd Floor, Agrasen Point, Nr
Agrasen Bhavan, Citylight Road, Bharthana,
Surat -395007

CHAIRMAN'S MESSAGE:**Dear Shareholders and Stakeholders,**

It is with great pleasure that I present to you the Annual Report of your company for the financial year 2024–25. As we reflect on the year gone by, I would like to extend my heartfelt gratitude to our shareholders, employees, customers, and business partners for their continued trust and support.

FY 2024–25 marked another important year in our journey of growth and transformation. Amid a dynamic and often challenging business environment, your company continued to make meaningful progress in strengthening its operations, enhancing efficiencies, and delivering value to its stakeholders.

During the year, we focused on bolstering our management team, simplifying our organisational structure, and reinforcing internal systems and processes. These measures have helped us improve responsiveness, operational agility, and customer service standards across our textile trading business.

Our achievements this year are a direct reflection of our team's dedication, resilience, and shared commitment to excellence. From meeting performance targets to adopting forward-looking strategies, every milestone reached is the result of collective effort.

Our customers remain central to everything we do. By consistently aligning our offerings with their evolving needs and delivering superior products and services, we aim not just to meet but to exceed expectations.

As chairman, I remain committed to steering the company with integrity, transparency, and a long-term vision. Our values of respect, inclusivity, and ethical conduct guide every decision we take, and will continue to shape our path forward.

I would also like to take this opportunity to thank our employees. Your dedication and contribution form the foundation of our progress, and I am confident that with your continued support, the Company will scale even greater heights in the years to come.

Looking ahead, we remain focused on building a resilient, future-ready organisation that delivers sustainable growth and long-term value for all stakeholders.

Thank you once again for your continued confidence in us.

Best regards,

Sd/-

Harishbhai Fatandas Sawlani

Chairman

SHANTAI INDUSTRIES LIMITED

CIN: L46411GJ1988PLC013255

Reg Office: Shop 10 2nd Floor, Agrasen Point, Nr Agrasen Bhavan, Citylight Road, Bharthana, Surat -395007
 Website: www.shantaiindustrieslimited.com , Email-id: shantaiindustriesltd@gmail.com, Tel: 9913425000

NOTICE OF 40TH ANNUAL GENERAL MEETING

Notice is hereby given of the 40th Annual General Meeting of the members of **SHANTAI INDUSTRIES LIMITED** will be held on Wednesday, the 24th day of September, 2025 at the registered office of the company situated at Shop 10 2nd Floor, Agrasen Point, Nr Agrasen Bhavan, Citylight Road, Bharthana, Surat -395007 at 04:00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended on 31st March, 2025, together with the reports of the Board of Directors and Auditors thereon.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the audited balance sheet, profit and loss account and cash flow statement for the year ended 31st March, 2025 along with the Auditors' report and Directors' Report, be and are hereby considered, adopted and approved"

2. **To appoint a director in place of Mrs. Reena Harish Sawlani, Non-Executive Director (DIN: 07245653), liable to retire by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provision of Section 152 (6) and all other applicable provisions, if any, of the Companies Act, 2013, Mrs. Reena Harish Sawlani, Non-Executive Director (DIN: 07245653), who retires by rotation at this Annual General Meeting, be and is hereby re-appointed as Non-Executive Director of the company, liable to retire by rotation."

SPECIAL BUSINESS:

3. **To approve appointment of Mr. Ranjit Binod Kejriwal as a Secretarial Auditor of the company.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014, and Regulation 24A(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s), variation(s) or re-enactment thereof for the time being in force), Mr. Ranjit Binod Kejriwal, Company Secretary in Practice, Surat (FCS 6116; CP No. 5985), and a Peer Reviewed Company Secretary, be and is hereby appointed as the Secretarial Auditor of the Company, for performing audit of the Company's secretarial records for the financial year beginning from 1st April, 2025 for a period of one term of five consecutive years, that will conclude on 31st March, 2030, at such remuneration plus applicable taxes thereon and such increase in audit fees till the conclusion of his term, plus reimbursement of actual out of pocket and travelling expenses, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditor.

RESOLVED FURTHER THAT any one Director and/or Company Secretary of the Company be and are hereby severally authorised to do all the acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to sign and execute all necessary documents, applications, returns, e-forms and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

4. **To approve re-appointment of Mrs. Vandanaben Satishbhai Dalal (DIN: 08779138) as a Non-Executive Independent Director of the company for a further period of five years.**

To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the members of the company be and is hereby accorded for the re-appointment of Mrs. Vandanaben Satishbhai Dalal (DIN: 08779138) as a Non-Executive Independent Director of the company to hold the office for a further period of five consecutive years starting from 26th September, 2025 till 30th September, 2030 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT board of directors of the company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to the above resolution."

5. **To approve re-appointment of Mr. Harishbhai Fatandas Sawlani (DIN: 00831848) as a Managing Director of the company for a period of five years and continuation of his employment upon attaining the age of 70 years.**

To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), and any other applicable laws, if any, consent of the members of the company be and is hereby accorded for the re-appointment of Mr. Harishbhai Fatandas Sawlani (DIN: 00831848) as a Managing Director of the company to hold office for a period of five consecutive years starting from 04th November, 2025 till 03rd November, 2030, liable to retire by rotation on such terms and conditions as set out in the explanatory statement annexed hereto, with liberty to the board of directors to vary, amend or revise the remuneration within the maximum ceiling specified under the act and as may be approved by the board of directors.

RESOLVED FURTHER THAT Mr. Harishbhai Fatandas Sawlani shall attain the age of seventy years on 09th March, 2030 and in terms of the provisions of Section 196(3)(a) of the Companies Act, 2013, approval of the shareholders be and is hereby accorded for his continuation as a Managing Director of the company beyond the age of 70 years, on the existing terms and conditions of his appointment or such other terms as may be approved by the board.

RESOLVED FURTHER THAT the remuneration payable to Mr. Harishbhai Fatandas Sawlani (DIN: 00831848) shall be as under:

Salary: Upto Rs. 15,000/- (Rupees Fifteen Thousand Only) per month inclusive of all perquisites.

RESOLVED FURTHER THAT the consent of the members of the company be and is hereby accorded that Mr. Harishbhai Fatandas Sawlani be paid remuneration by way of salary upto a maximum of Rs. 15,000/- (Rupees Fifteen Thousand Only) per month as minimum remuneration.

RESOLVED FURTHER THAT in case of inadequate profit or no profit, the aforesaid remuneration shall be minimum remuneration payable under Schedule V.

RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT board of directors of the company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to the above resolution.”

6. **To approve re-appointment of Mr. Vasudev Fatandas Sawlani (DIN: 00831830) as a Whole-time Director of the company for a period of five years and continuation of his employment upon attaining the age of 70 years.**

To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), and any other applicable laws, if any, consent of the members of the company be and is hereby accorded for the re-appointment of Mr. Vasudev Fatandas Sawlani (DIN: 00831830) as a Whole-time Director of the company to hold office for a period of five consecutive years starting from 04th November, 2025 till 03rd November, 2030, liable to retire by rotation on such terms and conditions as set out in the explanatory statement annexed hereto, with liberty to the board of directors to vary, amend or revise the remuneration within the maximum ceiling specified under the act and as may be approved by the board of directors.

RESOLVED FURTHER THAT Mr. Vasudev Fatandas Sawlani shall attain the age of seventy years on 14th October, 2027 and in terms of the provisions of Section 196(3)(a) of the Companies Act, 2013, approval of the shareholders be and is hereby accorded for his continuation as a Whole-time Director of the company beyond the age of 70 years, on the existing terms and conditions of his appointment or such other terms as may be approved by the board.

RESOLVED FURTHER THAT the remuneration payable to Mr. Vasudev Fatandas Sawlani (DIN: 00831830) shall be as under:
Salary: Upto Rs. 15,000/- (Rupees Fifteen Thousand Only) per month inclusive of all perquisites.

RESOLVED FURTHER THAT the consent of the members of the company be and is hereby accorded that Mr. Vasudev Fatandas Sawlani be paid remuneration by way of salary upto a maximum of Rs. 15,000/- (Rupees Fifteen Thousand Only) per month as minimum remuneration.

RESOLVED FURTHER THAT in case of inadequate profit or no profit, the aforesaid remuneration shall be minimum remuneration payable under Schedule V.

RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT board of directors of the company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to the above resolution.”

Date: 29-08-2025

Reg. Office: Shop 10 2nd Floor, Agrasen Point,
Nr Agrasen Bhavan, Citylight Road, Bharthana,
Surat -395007

Email: shantaiindustriesltd@gmail.com

Website: www.shantaiindustrieslimited.com

By order of the Board
For Shantai Industries Limited

Sd/-
Shipra Mehta
Company Secretary

NOTES:

1. A statement pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act") and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to the special business to be transacted at the Annual General Meeting ("Meeting") is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. The instrument appointing the proxy, duly completed, must be deposited at the company's registered office **not less than 48 hours before the commencement of the meeting** (on or before the scheduled time of the commencement of 40th Annual General Meeting). A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A proxy form for the AGM is enclosed.
3. Pursuant to Section 113 of the Companies Act, 2013, Corporate members intending to send their authorized representative to attend the meeting are requested to send to the company a certified copy of board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Karta in case of HUF, partners/proprietors in case of firm attending and voting should affix the respective stamp of HUF or firm on the attendance sheet, polling paper or proxy form.
5. Members/Proxy holders/ Authorized representatives are requested to bring their copy of Attendance slip sent herewith, duly filled-in for attending the Annual General Meeting.
6. Members are requested to quote Folio/DPID number in all their correspondences.
7. Relevant documents referred to in the above Notice are open for inspection at the Registered Office of the company during the business hours on any working day (except Sunday and holidays) between 11.00 a.m. and 4.00 p.m. up to the date of the Annual General Meeting.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
9. The Register of Contracts & arrangements in which director are interested, maintained under section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
10. The Shareholders are requested to direct change of address notifications and updates details to their respective Depository Participant(s).
11. Equity shares of the Company are under compulsory demat trading by all Investors.
12. The Annual Report 2024-25, the Notice of the 40th AGM and instructions for e-voting along with the Attendance Slip and Proxy form are being sent through electronic mode to all the members whose email addresses are registered with the Company/ RTA/ Depositories, unless a member has requested for a physical copy of documents. For members who have not registered their email addresses, a letter providing the web-link of the path of Annual Report on company's website is being sent by the permitted mode.
13. Members may also note that the Notice of the 40th AGM and Annual Report 2024-25 will be available on the Company's website at www.shantaiindustrieslimited.com, on website of BSE Limited at www.bseindia.com and on the website of NSDL www.evoting.nsdl.com. For members who have not registered their email addresses, a letter providing the web-link of the path of Annual Report on company's website is being sent by the permitted mode.
14. Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company/RTA in case the shares are held by them in physical form.
15. Members seeking any information/document as referred in the notice are requested to write to the Company on or before 24th day of September, 2025 through email at csshantaiindustries@gmail.com. The same will be addressed by the company suitably.
16. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication from the company electronically and quicker response to their queries to RTA or Company.

17. Members are requested to contact our Registrar and Transfer Agent for any query related to shares and other inquiry at following address :-

MCS Share Transfer Agent Limited

Registrar to Issue & Share Transfer Agents

9 Shiv Shakti Industrial Estate,

1st Fl, Neelam Apartment, 88, Sampatrao Colony,

Above Chhapanbhog, Alkapuri, Vadodara-390007

Email Id: mcsltdbaroda@gmail.com

Website: www.mcsregistrars.com

Please Quote Folio No. / DP ID & CL ID for any communication for your shareholding

18. The shareholder needs to furnish the printed Attendance slip along with a valid identity proof such as the PAN Card, Passport, Aadhar Card or driving license to enter the AGM hall.
19. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re- appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment/ re-appointment as required under the Companies Act, 2013 and the Rules there under.
20. The voting rights of Shareholders shall be in proportion of their shares held to the paid-up equity share capital of the Company as on Wednesday, 17th September, 2025.
21. The route map of the venue of the Annual General Meeting is appended to this Report. The prominent land mark near the venue is Ratnabhoomi Party Plot, Surat.
- 22. Information and other instructions relating to e-voting are as under:**

- I. Pursuant to Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by NSDL. The facility available for voting through polling paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise the right at the AGM through polling paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.
- II. If members are opting for remote e-voting, they shall not vote by polling paper and vice versa. However, in case members cast their vote both by polling paper and by remote e-voting, then voting done through remote e-voting shall prevail and voting done by polling paper will be treated as invalid.
- III. Mr. Ranjit Binod Kejriwal, Practicing Company Secretary has been appointed to act as the Scrutinizer for conducting the remote e-voting process as well as the voting through Polling Paper, in a fair and transparent manner.
- IV. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member as on the cut-off date i.e. 17th September, 2025.
- V. A person, whose name is recorded in the register of members as on the cut-off date, i.e. 17th September, 2025, only shall be entitled to avail the facility of remote e-voting / as well as voting through the polling process at the AGM. Any recipient of the notice, who has no voting rights as on the Cut-off date, shall treat this notice as intimation only.
- VI. A person who has acquired the shares and has become a member of the company after the dispatch of the notice of the AGM and prior to the cut-off date i.e. 17th September, 2025 shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the polling process at the AGM by following the procedure mentioned in this part.
- VII. The remote e-voting period will commence on Sunday, 21st September, 2025 at 9.00 a.m. and will end on Tuesday, 23rd September, 2025 at 5.00 p.m. During this period, the members of the company holding shares either in physical form or in demat form as on the cut-off date i.e. 17th September, 2025, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be

automatically disabled for voting thereafter.

- VIII. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- IX. The Scrutinizer, after scrutinizing the votes cast at the meeting (polling paper) and through remote e-voting, will, not later than 2 working days of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the company. The results shall be communicated to the stock exchanges.
- X. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting, i.e. 24th September, 2025.
- XI. **Instructions to Members for e-voting are as under:**

The remote e-voting period starts on Sunday, 21st September, 2025, on open of working hours (i.e. 9:00 hours) and ends on, Tuesday, 23rd September, 2024, on the close of working hours (i.e. 17:00 hours). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 17th September, 2025 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 17th September, 2025.

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the company and becomes member of the company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 17th September, 2025, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 224 430. In case of individual shareholders holding securities in demat mode who acquires shares of the company and becomes a member of the company after sending of the notice and holding shares as of the cut-off date i.e. 17th September, 2025, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular 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.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <p>1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>2. Existing IDeAS user can visit the e-Services website of NSDL Viz.</p> |

| | |
|--|--|
| | <p>https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are 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</p> <p>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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div> |
| Individual Shareholders holding securities in demat mode with CDSL | <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 Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. 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. |

| | |
|--|---|
| | <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>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 e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period |

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

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

| Login type | Helpdesk details |
|--|--|
| 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.com or call at 022 - 4886 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911 |

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| (a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| (b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| (c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 136166 then user ID is 136166001*** |

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rbksurat@gmail.com with a copy marked to evoting@nsdl.com Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 or send a request to Ms. Sarita Mote at evoting@nsdl.com.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide 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 csshantaiindustries@gmail.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to csshantaiindustries@gmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Please note the following:

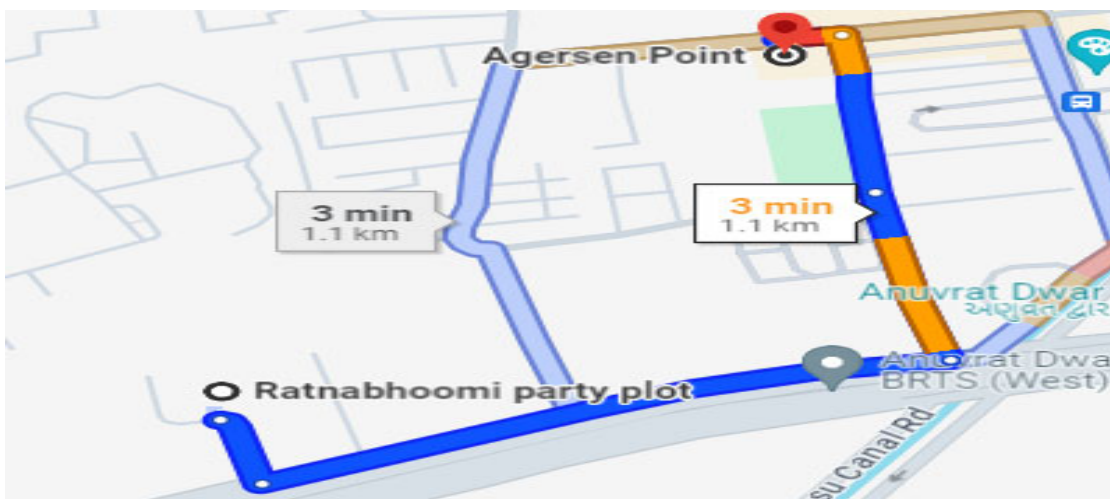
A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper. A person who is not a member as on the cut-off date should treat this Notice of AGM for information purpose only.

Other information:

- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

ROUTE MAP TO THE VENUE OF THE 40TH ANNUAL GENERAL MEETING OF THE COMPANY



Date: 29-08-2025

Reg. Office: Shop 10 2nd Floor, Agrasen Point,
Nr Agrasen Bhavan, Citylight Road, Barthana,
Surat -395007

Email: shantaiindustriesltd@gmail.com

Website: www.shantaiindustrieslimited.com

By order of the Board
For Shantai Industries Limited

Sd/-
Shipra Mehta
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS.

ITEM NO. 3:

Pursuant to the amendment notified in Regulation 24A by way of SEBI (LODR) (Third Amendment) Regulations, 2024, with effect from April 01, 2025, the company is required to appoint a Secretarial Auditor, who is a Peer Reviewed Company Secretary.

In accordance with the above regulation, and on the recommendation of the Audit Committee, the Board of Directors in their meeting held on 29th August, 2025 proposed to appoint Mr. Ranjit Binod Kejriwal, Company Secretary in Practice, (FCS: 6116, COP: 5985) who is a Peer Reviewed Company Secretary, as the Secretarial Auditor of the company, for performing Secretarial Audit of the company for a period of five consecutive years commencing from 01st April, 2025 till 31st March, 2030, at such remuneration plus applicable taxes thereon and such increase in audit fees till the conclusion of his term, plus reimbursement of actual out of pocket expenses, as recommended by the Audit committee and as may be mutually agreed between the Board and the Secretarial Auditor.

Mr. Ranjit Binod Kejriwal is a Practicing Company Secretary, providing secretarial consultancy services for 20 years. He has in-depth experience in various areas of practice, including corporate laws, IPO listing, listing compliances, secretarial management guidance & audit, due diligence, compliance audit, corporate governance audit, merger-acquisition and corporate restructuring, FEMA, RBI, and other economic laws.

The Secretarial Auditor confirms that he holds a valid peer review certificate issued by the Institute of Company Secretaries of India and that he has not incurred any disqualifications as specified under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the provisions of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of shareholders is required for such appointment.

The proposed fees in connection with the secretarial audit shall be Rs. 3,00,000/- (Rupees Three Lakhs only) plus applicable taxes and other out-of-pocket expenses for financial year 2025-26, and for subsequent year(s) of their term, such fees as may be mutually agreed between the Board of Directors and the secretarial auditor. In addition to the secretarial audit, Mr. Ranjit Binod Kejriwal shall provide such other services in the nature of certifications and other professional work, as approved by the board of directors. The relevant fees will be determined by the board, as recommended by the Audit Committee in consultation with the Secretarial Auditors.

Accordingly, your directors recommend the ordinary resolution mentioned in item no. 3 of this notice for approval of the shareholders. None of the Directors or Key Managerial Personnel of the company or their relatives are considered to be interested or concerned in in passing the proposed resolution as set out in Item no. 3.

ITEM NO. 4:

As per Section 149(10) of the Companies Act, 2013 (Companies Act, 2013), an Independent Director shall hold office for a term of upto five consecutive years on the board of a company, but shall be eligible for re-appointment on passing a special resolution by the company for further term of upto five consecutive years on the board of a company.

On the recommendation of the Nomination and Remuneration Committee of the board of directors of the company, the board of directors of the company in its meeting held on 29th August, 2025 has subject to the approval of the shareholders in ensuing general meeting, re-appointed Mrs. Vandanaben Satishbhai Dalal (DIN: 08779138) as a Non-Executive Independent Director of the company for the further period of five

years from the expiry of her present term, that is with effect from 26th September, 2025 till 25th September, 2030.

Mrs. Vandanaben Satishbhai Dalal is independent to the company and possesses the required qualifications and skills. Mrs. Vandanaben Satishbhai Dalal satisfies all the conditions set out in Schedule V to the Companies Act, 2013 as also conditions set out under subsection (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for being eligible for her re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Mrs. Vandanaben Satishbhai Dalal is associated as a Non-executive Independent Director of Shantai Industries Limited since the year 2020. She is backed by a strong legal background. She brings with her expertise in corporate law, governance practices, sustainability, which strengthens the Board's ability to provide strategic guidance and ensure sound governance practices. As an Independent Director, she upholds the highest standards of integrity, objectivity, and corporate governance and provides valuable insights for the balanced and sustainable growth of the company.

Keeping in view, her experience and services rendered by her during her first term as a Non-Executive Independent Director of the company, it is in best interest of the company to re-appoint her as the Non-Executive Independent Director of the company.

Accordingly, your directors recommend the special resolution mentioned in item no. 4 of this notice for approval of the shareholders. Except Mrs. Vandanaben Satishbhai Dalal, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

ITEM NO. 5:

The members of the company had re-appointed Mr. Harishbhai Fatandas Sawlani (DIN: 00831848) as a Managing Director of the company for a period of five years with effect from 04th November, 2020 and the present term of his re-appointment would lapse on 03rd November, 2025.

On the recommendation of the Nomination and Remuneration Committee of the board of directors of the company, the board of directors of the company in its meeting held on 29th August, 2025 has, subject to approval of the shareholders in ensuing general meeting, re-appointed Mr. Harishbhai Fatandas Sawlani (DIN: 00831848) as a Managing Director of the company for a period of five years from the expiry of his present term, that is with effect from 04th November, 2025 to 03rd November, 2030, liable to retire by rotation. He shall be paid remuneration by way of salary of Rs. 15,000 (Rupees Fifteen Thousand Only) per month inclusive of all perquisites.

Mr. Harishbhai Fatandas Sawlani has been associated with the company for over a decade and has played a pivotal role in the growth and success of the company by actively participating in the decision-making and overseeing operations on a regular basis. He is a visionary leader with over 38 years of extensive experience in the textile manufacturing and allied industries. He has been instrumental in driving the company's growth through strategic expansion, adoption of advanced technologies, and a strong focus on innovation, quality, and sustainability. Under his leadership, the company has consistently achieved operational and financial milestones. The board believes that his continued leadership is essential for the successful execution of ongoing strategic initiatives and future growth of the company.

As per the provisions of Section 196(3)(a) of the Companies Act, 2013, no company shall appoint or continue the employment of any person as managing director who has attained the age of seventy years unless it is approved by a special resolution passed by the shareholders.

Mr. Harishbhai Fatandas Sawlani will attain the age of seventy year on 09th March, 2030 during the proposed term of re-appointment. Accordingly, board of directors of the company recommends re-appointing him as a Managing Director for approval of shareholder by way of passing special resolution as set out in Part-I of Schedule V to the Companies Act, 2013 as also conditions set out under subsection (3) of Section 196 of the Companies Act, 2013.

Except the paragraph as aforementioned Mr. Harishbhai Fatandas Sawlani satisfies all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 as also conditions set out under subsection (3) of Section 196 of the Companies Act, 2013 for being eligible for his reappointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Minimum Remuneration: Where in any financial year, during the currency of the tenure of Mr. Harishbhai Fatandas Sawlani as a Managing Director, the company has no profits or its profits are inadequate, the company will pay remuneration to him by way of salary, perquisites and allowances as specified in the resolution being item no. 5 of the accompanying notice as minimum remuneration, subject to the limits and conditions as prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

The company, in compliance with the provisions of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profits, the remuneration can be paid by the company to its managerial personnel as minimum remuneration within the limits arrived at in accordance with the requirements of the said section, if subject to the following:

- a. The payment of remuneration is approved by a resolution passed by the board at a meeting held on 28th May, 2024 and also by the Nomination and Remuneration Committee of Directors at a meeting held on 28th May, 2024.
- b. Further, the company has not made any default in repayment of any of its debts or interest payable thereon.

Keeping in view, his experience it is in best interest of the company to re-appoint him as Managing Director of the company.

Accordingly, your directors recommend the special resolution mentioned in item no. 5 of this notice for approval of the shareholders. Except Mr. Harish Fatandas Sawlani, Managing Director, Mrs. Reena Harish Sawlani, Non-Executive Director and Mr. Vasudev Fatandas Sawlani, Whole-time Director and their relatives none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

ITEM NO. 6:

The members of the company had re-appointed Mr. Vasudev Fatandas Sawlani (DIN: 00831830) as a Managing Director of the company for a period of five years with effect from 04th November, 2020. Further, the members of the company had re-designated Mr. Vasudev Fatandas Sawlani (DIN: 00831830) as a Whole-time Director of the company with effect from 29th September, 2022 for his remaining tenure and his present term would lapse on 03rd November, 2025.

On the recommendation of the Nomination and Remuneration Committee of the board of directors of the company, the board of directors of the company in its meeting held on 29th August, 2025 has, subject to approval of the shareholders in ensuing general meeting, re-appointed Mr. Vasudev Fatandas Sawlani (DIN: 00831830) as a Whole-time Director of the company for a period of five years from the expiry of his present term, that is with effect from 04th November, 2025 to 03rd November, 2030, liable to retire by

rotation. He shall be paid remuneration by way of salary of Rs. 15,000 (Rupees Fifteen Thousand Only) per month inclusive of all perquisites.

Mr. Vasudev Fatandas Sawlani has been associated with the company for over a decade and possesses over 37 years of rich experience in the textile manufacturing industry, with expertise in production management, operations, marketing, supply chain, product development, etc. Over the years, he has contributed significantly to the company's operational efficiency and strategic growth. The board believes that his deep industry knowledge and consistent performance will continue to add value to the company's ongoing projects and daily operations.

As per the provisions of Section 196(3)(a) of the Companies Act, 2013, no company shall appoint or continue the employment of any person as whole-time director who has attained the age of seventy years unless it is approved by a special resolution passed by the shareholders

Mr. Vasudev Fatandas Sawlani will attain the age of seventy years on 14th October, 2027 during the proposed term of re-appointment. Accordingly, board of directors of the company recommends re-appointing him as a Whole-time Director for approval of shareholder by way of passing special resolution as set out in Part-I of Schedule V to the Companies Act, 2013 as also conditions set out under subsection (3) of Section 196 of the Companies Act, 2013.

Except the paragraph as aforementioned Mr. Vasudev Fatandas Sawlani satisfies all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 as also conditions set out under subsection (3) of Section 196 of the Companies Act, 2013 for being eligible for his reappointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Minimum Remuneration: Where in any financial year, during the currency of the tenure of Mr. Vasudev Fatandas Sawlani as a Whole-time Director, the company has no profits or its profits are inadequate, the company will pay remuneration to him by way of salary, perquisites and allowances as specified in the resolution being item no. 6 of the accompanying notice as minimum remuneration, subject to the limits and conditions as prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

The company, in compliance with the provisions of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profits, the remuneration can be paid by the company to its managerial personnel as minimum remuneration within the limits arrived at in accordance with the requirements of the said section, if subject to the following:

- a. The payment of remuneration is approved by a resolution passed by the board at a meeting held on 28th May, 2024 and also by the Nomination and Remuneration Committee of Directors at a meeting held on 28th May, 2024.
- b. Further, the company has not made any default in repayment of any of its debts or interest payable thereon.

Keeping in view, his experience it is in best interest of the company to re-appoint him as Whole-time Director of the company.

Accordingly, your directors recommend the special resolution mentioned in item no. 6 of this notice for approval of the shareholders. Except Mr. Harish Fatandas Sawlani, Managing Director, Mrs. Reena Harish Sawlani, Non-Executive Director and Mr. Vasudev Fatandas Sawlani, Whole-time Director and their relatives none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Statement as required under Section II, Part II of the Schedule V to the Companies Act, 2013 with reference to the special resolution at item no. 5 and item no. 6 of the notice is as follows:

| SN | General Information | Particulars | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|-------------|-----------------|-----------------|--------|---|--------|--------------|---------|----------------|---------|-------------------|-------|------------------|------|-------------------------|------|------------------|-------|
| 1. | Nature of Industry | Manufacturing of textile | | | | | | | | | | | | | | | | | | | |
| 2. | Date of Commencement of Commercial Production | Commercial production commenced in the year 1988 | | | | | | | | | | | | | | | | | | | |
| 3. | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable. | | | | | | | | | | | | | | | | | | | |
| 4. | Financial Performance based on given indicators | As per standalone audited financials as on 31.03.2025: <table><tr><th>Particulars</th><th>Amount in Lakhs</th></tr><tr><td>Paid up Capital</td><td>150.00</td></tr><tr><td>Reserves excluding Revaluation Reserves</td><td>616.52</td></tr><tr><td>Total Income</td><td>2033.56</td></tr><tr><td>Total Expenses</td><td>2001.01</td></tr><tr><td>Profit before Tax</td><td>32.55</td></tr><tr><td>Exceptional Item</td><td>0.04</td></tr><tr><td>Tax Expenses/ (Benefit)</td><td>1.88</td></tr><tr><td>Profit after Tax</td><td>30.63</td></tr></table> | | Particulars | Amount in Lakhs | Paid up Capital | 150.00 | Reserves excluding Revaluation Reserves | 616.52 | Total Income | 2033.56 | Total Expenses | 2001.01 | Profit before Tax | 32.55 | Exceptional Item | 0.04 | Tax Expenses/ (Benefit) | 1.88 | Profit after Tax | 30.63 |
| Particulars | Amount in Lakhs | | | | | | | | | | | | | | | | | | | | |
| Paid up Capital | 150.00 | | | | | | | | | | | | | | | | | | | | |
| Reserves excluding Revaluation Reserves | 616.52 | | | | | | | | | | | | | | | | | | | | |
| Total Income | 2033.56 | | | | | | | | | | | | | | | | | | | | |
| Total Expenses | 2001.01 | | | | | | | | | | | | | | | | | | | | |
| Profit before Tax | 32.55 | | | | | | | | | | | | | | | | | | | | |
| Exceptional Item | 0.04 | | | | | | | | | | | | | | | | | | | | |
| Tax Expenses/ (Benefit) | 1.88 | | | | | | | | | | | | | | | | | | | | |
| Profit after Tax | 30.63 | | | | | | | | | | | | | | | | | | | | |
| 5. | Foreign investments or collaborators, if any | The company has not entered into any foreign collaborations and no direct capital investment has been made in the company. Foreign investors, mainly comprising NRIS, are investors in the company on account of past issuance of securities /purchase of shares of the company from the secondary market. | | | | | | | | | | | | | | | | | | | |
| II | Information about the director | Mr, Harishbhai Fatandas Sawlani, Managing Director | Mr. Vasudev Fatandas Sawlani, Whole-time Director | | | | | | | | | | | | | | | | | | |
| 1. | Background details | As Per Explanatory Statement item no. 5 | As Per Explanatory Statement item no. 6 | | | | | | | | | | | | | | | | | | |
| 2. | Past remuneration | Salary of Rs. 15,000/- per month | Rs. 15,000/- per month | | | | | | | | | | | | | | | | | | |
| 3. | Recognition or awards | Nil | | | | | | | | | | | | | | | | | | | |
| 4. | Job profile and his suitability | As Per Explanatory Statement item no. 5 | As Per Explanatory Statement item no. 6 | | | | | | | | | | | | | | | | | | |
| 5. | Remuneration proposed | Salary of Rs. 15,000/- per month | Rs. 15,000/- per month | | | | | | | | | | | | | | | | | | |
| 6. | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person | Keeping in view the profiles and the positions, the remuneration is fully justifiable and comparable to that prevailing in the industry. | | | | | | | | | | | | | | | | | | | |

| | | | |
|----|--|---|--|
| 7. | <p>Pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel, if any</p> | <p>Mr. Harishbhai Fatandas Sawlani is the brother of Mr. Vasudev Fatandas Sawlani, Whole-time Director of the company.</p> <p>Mr. Harishbhai Fatandas Sawlani is the husband of Mrs. Reena Harish Sawlani, Non-Executive Director of the company.</p> | <p>Mr. Vasudev Fatandas Sawlani is the brother of Mr. Harishbhai Fatandas Sawlani, Whole-time Director of the company.</p> |
| 8. | <p>Other Information</p> <ol style="list-style-type: none"> 1. Reasons of loss or inadequate profits 2. Steps taken or proposed to be taken for improvement <p>Expected increase in productivity and profits in measurable terms</p> | <p>As the company is engaged in the manufacturing sector, the capital expenses are high. The company takes various steps on a regular basis such as cost control and improving efficiency. The company is conscious about improvement in productivity and continually undertakes measures to improve its productivity and profitability. The management is confident of achieving sustained growth in the future.</p> <p>As the company is growth oriented, it is majorly incurring capital expenditures for its capacity expansion to cope with the ever-increasing customer demands.</p> <p>In view of the steps taken by the company as stated above, the company believes that there will be significant increase in productivity and profitability in the years to come.</p> | |

ANNEXURE TO NOTICE:**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING**

(Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Companies Secretaries of India)

1. **Mrs. Reena Harish Sawlani (DIN: 07245653)** is proposed to be re-appointed as Non-Executive Director, who is liable to retire by rotation and as per the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Secretarial Standards his details are as under:

| | |
|---|--|
| Name of Director | Mr. Reena Harish Sawlani |
| DIN | 07245653 |
| Date of Birth | 06/04/1966 |
| Qualification | B. Com |
| Expertise in specific functional areas | Experience of more than 13 years in Designing. |
| Terms and Conditions of Appointment/Reappointment | As per the resolution at Item No. 2 of the Notice convening this meeting, Mrs. Reena Harish Sawlani is liable to retire by rotation at the meeting. |
| Remuneration last drawn | NIL |
| Remuneration proposed | NIL |
| Date of First Appointment | 27/07/2015 |
| Relationship with Directors/Key managerial Personnel | Mrs. Reena Harish Sawlani is wife of Mr. Harishbhai Fatandas Sawlani, Managing Director of the company. |
| Names of all listed entities in which the person also holds the directorship and the membership of committees of the board | Shantai Industries Limited: a. Non-Executive Director b. Chairman of Stakeholders Relationship Committee c. Member of Nomination and Remuneration Committee |
| No. of meetings of the board attended during the year | 13 |
| Listed entities from which the person has resigned in the past three years | NIL |

2. **Mrs. Vandanaben Satishbhai Dalal (DIN: 08779138)** is proposed to be re-appointed as a Non-Executive Independent Director and as per the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Secretarial Standards his details are as under:

| | |
|--|--|
| Name of Director | Mrs. Vandanaben Satishbhai Dalal |
| DIN No. | 08779138 |
| Date of Birth | 29/10/1969 |
| Qualification | B. Com and LLB |
| Expertise in specific functional areas | She is backed by a strong legal background. She brings with her expertise in corporate law, governance practices, sustainability, which strengthens the Board's ability to provide strategic guidance and ensure sound governance practices. |
| Terms and Conditions of Appointment/Reappointment | As per the resolution at Item No. 4 of the notice convening this meeting, Mrs. Vandanaben Satishbhai Dalal is proposed to be re-appointed as an Independent Director for the further period of five years with effect from 26 th September, 2025 till 25 th September, 2030, not liable to retire by rotation. |
| Remuneration last drawn | NIL |
| Remuneration proposed | NIL |
| Date of First Appointment | 26/09/2020 |
| Relationship with Directors/Key | Mrs. Vandanaben Satishbhai Dalal is not related to any |

| | |
|--|--|
| managerial Personnel | director |
| Names of all listed entities in which the person also holds the directorship and the membership of committees of the board * | Shantai Industries Limited: a. Non-Executive Independent Director b. Member of Audit Committee c. Member of Stakeholders Relationship Committee d. Member of Nomination and Remuneration Committee |
| No. of meetings of the board attended during the year | 13 |
| Listed entities from which the person has resigned in the past three years | NIL |
| Number of equity shares held in the company, including shareholding as a beneficial owner | NIL |
| In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements | As given in item no. 4 of the explanatory statement. |

3. **Mr. Harishbhai Fatandas Sawlani (DIN: 00831848)** is proposed to be re-appointed as Managing Director, who is liable to retire by rotation and as per the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Secretarial Standards his details are as under:

| | |
|---|--|
| Name of Director | Mr. Harishbhai Fatandas Sawlani |
| DIN | 00831848 |
| Date of Birth | 09/03/1960 |
| Qualification | Diploma in Textile Chemistry |
| Expertise in specific functional areas | Experience of more than 38 years in Administration. |
| Terms and Conditions of Appointment/Reappointment | As per the resolution at Item No. 5 of the Notice convening this meeting, Mr. Harishbhai Fatandas Sawlani is proposed to be re-appointed as Managing Director, liable to retire by rotation. |
| Remuneration last drawn | Salary of Rs. 15,000/- per month |
| Remuneration proposed | Salary of Rs. 15,000/- per month |
| Date of First Appointment | 27/07/2015 |
| Relationship with Directors/Key managerial Personnel | Mr. Harishbhai Fatandas Sawlani is the brother of Mr. Vasudev Fatandas Sawlani, Whole-time Director of the company. Mr. Harishbhai Fatandas Sawlani is the husband of Mrs. Reena Harish Sawlani, Non-Executive Director of the company. |
| Names of all listed entities in which the person also holds the directorship and the membership of committees of the board * | Shantai Industries Limited: a. Managing Director b. Member of Audit Committee |
| No. of meetings of the board attended during the year | 13 |
| Listed entities from which the person has resigned in the past three years | NIL |

4. **Mr. Vasudev Fatandas Sawlani (DIN: 00831830)** is proposed to be re-appointed as Whole-time Director, who is liable to retire by rotation and as per the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Secretarial Standards his details are as under:

| | |
|-------------------------|-------------------------------------|
| Name of Director | Mr. Vasudev Fatandas Sawlani |
| DIN | 00831830 |
| Date of Birth | 14/10/1957 |
| Qualification | H.S.C. |

| | |
|---|---|
| Expertise in specific functional areas | Experience of more than 37 years in Administration. |
| Terms and Conditions of Appointment/Reappointment | As per the resolution at Item No. 6 of the Notice convening this meeting, Mr. Vasudev Fatandas Sawlani is proposed to be re-appointed as Whole-time Director, liable to retire by rotation. |
| Remuneration last drawn | Salary of Rs. 15,000/- per month |
| Remuneration proposed | Salary of Rs. 15,000/- per month |
| Date of First Appointment | 27/07/2015 |
| Relationship with Directors/Key managerial Personnel | Mr. Vasudev Fatandas Sawlani is the brother of Mr. Harishbhai Fatandas Sawlani, Whole-time Director of the company. |
| Names of all listed entities in which the person also holds the directorship and the membership of committees of the board * | Shantai Industries Limited: Whole-time Director |
| No. of meetings of the board attended during the year | 13 |
| Listed entities from which the person has resigned in the past three years | NIL |

Date: 29-08-2025

Reg. Office: Shop 10 2nd Floor, Agrasen Point,
Nr Agrasen Bhavan, Citylight Road, Bharthana,
Surat -395007

Email: shantaiindustriesltd@gmail.com

Website: www.shantaiindustrieslimited.com

By order of the Board
For Shantai Industries Limited

Sd/-
Shipra Mehta
Company Secretary

SHANTAI INDUSTRIES LIMITED

CIN: L46411GJ1988PLC013255

Reg Office: Shop 10 2nd Floor, Agrasen Point, Nr Agrasen Bhavan, Citylight Road, Bharthana, Surat -395007
 Website: www.shantaiindustrieslimited.com , Email-id: shantaiindustriesltd@gmail.com, Tel: 9913425000

ATTENDANCE SLIP

| | |
|------------------------|--|
| Name of the member(s): | |
| Registered Address: | |

| | |
|---------------|--|
| Folio No | |
| No. of Shares | |

| | |
|------------|--|
| *DP ID | |
| *Client ID | |

* Applicable to holders holding shares in demat/electronic form

I hereby record my attendance at the 40th Annual General Meeting of the company held on Wednesday, the 24th day of September, 2025 at the registered office of the company situated at Shop 10 2nd Floor, Agrasen Point, Nr Agrasen Bhavan, Citylight Road, Bharthana, Surat -395007 at 04:00 P.M.

 Shareholders Signature

Note:

1. Please fill this attendance slip and hand it over at the entrance of the meeting hall.
2. Members signature should be in accordance with the specimen signature in the Register of Members of the company.
3. Members are requested to bring their copy of this Attendance Slip at the Annual General Meeting of the company.

SHANTAI INDUSTRIES LIMITED

CIN: L46411GJ1988PLC013255

Reg Office: Shop 10 2nd Floor, Agrasen Point, Nr Agrasen Bhavan, Citylight Road, Bharthana, Surat -395007
 Website: www.shantaiindustrieslimited.com , Email-id: shantaiindustriesltd@gmail.com, Tel: 9913425000

Form MGT-11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) if the Companies (Management and Administration Rules, 2014]

CIN: L46411GJ1988PLC013255

Name: SHANTAI INDUSTRIES LIMITED

Registered Office: Shop 10 2nd Floor, Agrasen Point, Nr Agrasen Bhavan, Citylight Road, Bharthana, Surat - 395007

| | |
|------------------------|--|
| Name of the member(s): | |
| Registered Address: | |
| E-mail ID: | |
| Folio No/ *Client ID: | |
| *DP ID: | |

*Applicable for holders holding shares in demat/ electronic mode

I/We, being the member(s) of Shares of the above named company, hereby appoint

1. Name:.....Address:.....
E-mail ID:Signature:**Or failing him**
2. Name:.....Address:.....
E-mail ID:Signature: **Or failing him**
3. Name:.....Address:.....
E-mail ID:Signature:

As my/our proxy to attend and vote (on a poll) for me/ us and my/our behalf at the 40th Annual General Meeting of the company, to be held on Wednesday, the 24th day of September, 2025 at the registered office of the company situated at Shop 10 2nd Floor, Agrasen Point, Nr Agrasen Bhavan, Citylight Road, Bharthana, Surat -395007 at 04:00 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

| SN | Resolutions: |
|----|---|
| 1 | To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended on 31st March, 2025, together with the reports of the Board of Directors and Auditors thereon. |
| 2 | To appoint a director in place of Mrs. Reena Harish Sawlani, Non-Executive Director (DIN: 07245653), liable to retire by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment. |
| 3 | To approve appointment of Mr. Ranjit Binod Kejriwal as a Secretarial Auditor of the company. |
| 4 | To approve re-appointment of Mrs. Vandanaaben Satishbhai Dalal (DIN: 08779138) as a Non-Executive Independent Director of the company for a further period of five years. |
| 5 | To approve re-appointment of Mr. Harishbhai Fatandas Sawlani (DIN: 00831848) as a Managing Director of the company for a period of five years and continuation of his employment upon attaining the age of 70 years. |
| 6 | To approve re-appointment of Mr. Vasudev Fatandas Sawlani (DIN: 00831830) as a Whole-time Director of the company for a period of five years and continuation of his employment upon attaining the age of 70 years. |

Signed this ____ day of _____, 2025.

Affix a Re 1
Revenue Stamp

Signature of Shareholder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

SHANTAI INDUSTRIES LIMITED

CIN: L46411GJ1988PLC013255

Reg Office: Shop 10 2nd Floor, Agrasen Point, Nr Agrasen Bhavan, Citylight Road, Bharthana, Surat -395007
 Website: www.shantaiindustrieslimited.com , Email-id: shantaiindustriesltd@gmail.com, Tel: 9913425000

Form MGT-12**Polling Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) if the Companies (Management and Administration Rules, 2014)]

Name of the Company: **SHANTAI INDUSTRIES LIMITED**
 Registered Office: **Shop 10 2nd Floor, Agrasen Point, Nr Agrasen Bhavan, Citylight Road, Bharthana, Surat -395007**
 CIN: **L46411GJ1988PLC013255**

POLLING PAPER

| S.No | Particulars | Details |
|------|---|---------------|
| 1. | Name of the first named Shareholder (In Block Letters) | |
| 2. | Postal address | |
| 3. | Registered Folio No./ *Client ID No. (*applicable to investors holding shares in dematerialized form) | |
| 4. | Class of Share | Equity Shares |

I/We hereby exercise my/our vote in respect of the resolution as set out in the Notice of Annual General Meeting of the company scheduled to be held on Wednesday, the 24th day of September, 2025 at the registered office of the company situated at Shop 10 2nd Floor, Agrasen Point, Nr Agrasen Bhavan, Citylight Road, Bharthana, Surat -395007 at 04:00 P.M which is proposed to be placed for consideration of members at the aforesaid AGM of the company, by sending my/our assent (FOR) or dissent (AGAINST) to the said resolution by placing the tick (✓) mark at the appropriate box below:

| No. | Item No. | No. of Shares held by me | I assent to the Resolution | I dissent from the Resolution |
|-----|----------|--------------------------|----------------------------|-------------------------------|
|-----|----------|--------------------------|----------------------------|-------------------------------|

Ordinary Business

| | | | | |
|---|---|--|--|--|
| 1 | To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended on 31st March, 2025, together with the reports of the Board of Directors and Auditors thereon. (Ordinary Resolution) | | | |
| 2 | To appoint a director in place of Mrs. Reena Harish Sawlani, Non-Executive Director (DIN: 07245653), liable to retire by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment. (Ordinary Resolution) | | | |

Special Business

| | | | | |
|---|---|--|--|--|
| 3 | To approve appointment of Mr. Ranjit Binod Kejriwal as a Secretarial Auditor of the company. (Ordinary Resolution) | | | |
| 4 | To approve re-appointment of Mrs. Vandanaben Satishbhai Dalal (DIN: 08779138) as a Non-Executive Independent Director of the company for a further period of five years. (Special Resolution) | | | |

| | | | | |
|--|---|--|--|--|
| 5 | To approve re-appointment of Mr. Harishbhai Fatandas Sawlani (DIN: 00831848) as a Managing Director of the company for a period of five years and continuation of his employment upon attaining the age of 70 years. (Special Resolution) | | | |
| 6 | To approve re-appointment of Mr. Vasudev Fatandas Sawlani (DIN: 00831830) as a Whole-time Director of the company for a period of five years and continuation of his employment upon attaining the age of 70 years. (Special Resolution) | | | |
| Place: Surat Date: 24/09/2025 <div style="text-align: right;">(Signature of the shareholder)</div> | | | | |

INSTRUCTIONS

1. This Polling Paper is provided to enable the shareholder(s) or their proxy(ies) for voting by way of Polling Paper(s), who does not have access to e-voting facility and /or who have not voted through e-voting, so that they can also participate in voting through this physical Polling Paper.
2. A member can opt for only one mode of voting i.e. either through e-voting or by Polling paper if a member casts votes by both modes, then voting done through remote e-voting shall prevail and voting by Polling paper shall be treated as invalid.

ELECTRONIC VOTING PARTICULAR

| EVEN (E VOTING EVENT NUMBER) |
|------------------------------|
| 136166 |

E-Voting shall start on Sunday, 21st day of September, 2025 (9.00 a.m.) and will be open till Tuesday, 23rd day of September, 2025 till the close of working hours (i.e. 5.00 p.m.).

Note: Please read the instructions printed overleaf carefully before exercising your vote.

SHANTAI INDUSTRIES LIMITED
CIN: L46411GJ1988PLC013255

Reg Office: Shop 10 2nd Floor, Agrasen Point, Nr Agrasen Bhavan, City light Road, Barthian, Surat, Gujarat, India, 395007
Website: www.shantaiindustrieslimited.com , **Email-id:** shantaiindustriesltd@gmail.com, **Tel:** 9913425000

DIRECTORS' REPORT

**To,
The Members,
SHANTAI INDUSTRIES LIMITED**

Your directors take pleasure in submitting the 40th Annual Report of the Business and operations of your Company and the Audited Financial Statements for the financial year ended 31st March, 2025.

1. FINANCIAL RESULTS & PERFORMANCE

| Particulars | (Rs. in Lakhs) | |
|--|-----------------------------------|-----------------------------------|
| | For the year ended 31-03-2025* | For the year ended 31-03-2024* |
| Revenue from operations | 2024.96 | 129.19 |
| Other Income | 8.59 | 2.75 |
| Total Revenue | 2033.56 | 131.94 |
| Profit before tax and Exceptional Items | 32.55 | (6.31) |
| Exceptional Items | 0.00 | 0.00 |
| Extraordinary Items | 0.04 | 0.00 |
| Profit before Taxation | 32.51 | (6.31) |
| -Current Tax | 1.88 | - |
| -Deferred Tax | - | - |
| -Income tax of earlier years | - | - |
| Net Profit/ (Loss) For the Year | 30.63 | (6.31) |
| Total Comprehensive Income for the Year | 30.63 | (6.31) |

* Figures regrouped wherever necessary

The company has disclosed its results on quarterly basis of which results are subjected to limited review and publishes audited financial results on an annual basis. The Financial Statements as stated above are also available on the Company's website at www.shantaiindustrieslimited.com/yearly-reports.

2. STATE OF COMPANY'S AFFAIRS

During the year, your Company recorded total revenue of Rs. 2033.56 Lacs against Rs. 131.94 Lacs in the previous year, and gained profit of Rs. 30.63 Lacs as compared to loss incurred of Rs. 6.31 Lacs in the previous year. A detailed analysis on the Company's performance is included in the "Management's Discussion and Analysis" Report, which forms part of this Report.

3. DIVIDEND

Keeping in mind the overall performance and outlook for your Company, your Board of Directors doesn't declared dividends as the company requires funds for expansion. Your directors do not recommend any dividend for the year ended 31st March, 2025.

4. UNCLAIMED DIVIDEND

As on 31 March 2025, the Company's unclaimed dividend balance was Rs. 23,749/-.

5. TRANSFER TO RESERVE

Company has not transferred any amount from profit to General Reserve.

6. MATERIAL CHANGES

There have been no material changes occurred between the end of the financial year of the company to which the financial statements related and the date of the report, which is affecting the financial position of the company except for the following:

All the issued, subscribed and paid up equity shares of face value of Rs. 10/- (Rupees Ten Only) each has sub-divided into 5 (Five) Equity Shares of the Company of face value of Rs. 2/- (Rupees Two Only) each. The record date for the same was 09th May, 2025

7. SHARE CAPITAL

During the year, there has been no change in the share capital of the company. The Authorized Share Capital of the Company as on 31st March, 2025 was Rs. 5,00,00,000 and paid-up share capital of the Company as on 31st March, 2025 was Rs. 1,50,00,000.

8. CHANGE IN NATURE OF BUSINESS, IF ANY

During the Financial Year, there has been addition in the object clause of the company.

The main object clause was altered by inserting the new sub-clauses 4 and 5 after the existing sub-clause 1, 2 and 3 of Clause III A of the Memorandum of Association of the Company and Alteration of the ancillary objects by inserting the new sub-clauses 63 to 68 after the existing sub-clause 1 to 62 of Clause III B of the Memorandum of Association of the Company. The details of the aforesaid alteration can be referred at www.bseindia.com/xml-data/corpfiling/AttachHis/62ba0494-4dc5-4f7b-bc6c-199a76ff7e6a.pdf

9. DEPOSITS

During the year, Company has not accepted any deposits from public within the meaning of the Section 73 of the Companies Act, 2013.

10. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Holding, Joint Venture or Associate Company.

11. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There was no significant material order passed by the regulators or courts or tribunals impacting the going concern status and company's operation in nature.

12. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with Section 152(6) of the Companies Act, 2013 read with the Articles of Association of the Company, Mrs. Reena Harish Sawlani, Non-Executive Director (DIN: 07245653), retire by rotation and is being eligible has offered herself for re-appointment, Mrs. Vandanaben Satishbhai Dalal, Non-Executive Independent Director is proposed to re-appointed for a further term of five years starting from 26th September 2025, Mr. Harishbhai Fatandas Sawlani, Managing Director is proposed to be appointed for a term of five years starting from 04th November, 2025 and Mr. Vasudev Fatandas Sawlani, Whole-time Director is proposed to be appointed for a term of five years starting from 04th November, 2025 in the ensuing Annual General Meeting. Company's policy on directors' appointment and remuneration is available on the website of the company at www.shantaindustrieslimited.com/policies.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act, 2013.

The following are the List of Directors and KMP of the Company during the year:

| Name of Directors | Category & Designation | Appointment Date | Change in Designation | Resignation Date |
|--|------------------------------------|------------------|-----------------------|------------------|
| Mr. Harishbhai Fatandas Sawlani | Managing Director | 27/07/2015 | 04/11/2015 | - |
| Mr. Vasudev Fatandas Sawlani | Whole-time Director | 27/07/2015 | 29/09/2022 | - |
| Mrs. Reena Harish Sawlani | Non-Executive Director | 27/07/2015 | 05/08/2016 | - |
| Mr. Omprakash Vishandas Lakhwani | Non-Executive Independent Director | 31/03/2018 | 30/08/2018 | 25/10/2024 |
| Mrs. Vandanaaben Satishbhai Dalal | Non-Executive Independent Director | 26/09/2020 | - | - |
| Mr. Vipulbhai Subhashchandra Munshi | Non-Executive Independent Director | 29/08/2024 | - | - |
| Mr. Sailesh Joseph Damor | Chief Financial Officer | 04/11/2015 | - | - |
| Mrs. Komal Agarwal | Company Secretary | 29/04/2023 | - | 12/03/2025 |
| Mrs. Shipra Mehta | Company Secretary | 12/03/2025 | - | - |

13. EXTRACT OF ANNUAL RETURN

As per amended section 92(3) of Companies Act, 2013 attachment of extract of annual return to Directors Report is discontinued, the Annual Return for FY 2024-25 is uploaded on the website of the Company and the same is available at www.shantaiindustrieslimited.com/annual-return

14. RELATED PARTY TRANSACTION

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under section 188 of the Companies Act, 2013 entered by the Company during the financial year, were in ordinary course of business and at arm's length basis. The Policy on Related Party Transactions is uploaded on the website of the company. The web link is www.shantaiindustrieslimited.com/policies

Further, all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, hence, disclosure in Form No. AOC-2 is not applicable to the company. The related party transactions entered into by the company are disclosed in the note 23 in the financial statements forming part of the Annual Report.

15. COMPOSITION OF BOARD AND ITS COMMITTEE, NUMBER OF MEETING HELD DURING THE YEAR

The Details of all meeting of Board of Directors and Committee meeting had taken place during the year and their detailed composition along with their attendance is mentioned below. The composition of the Board and its committee is also available on the website of the company at www.shantaiindustrieslimited.com

I. BOARD MEETING:

Composition of Board of Director as on 31st March, 2025 is as follows:

| S. N | Name | Designation | Nature of Directorship |
|------|---------------------------------|----------------------------|------------------------|
| 1 | Harishbhai Fatandas Sawlani | Chairman/Managing Director | Executive Director |
| 2 | Vasudev Fatandas Sawlani | Whole-time Director | Executive Director |
| 3 | Reena Harish Sawlani | Non-Executive Director | Non-Executive Director |
| 4 | Vandanaaben Satishbhai Dalal | Independent Director | Non-Executive Director |
| 5 | Vipulbhai Subhashchandra Munshi | Independent Director | Non-Executive Director |

The Board meets at regular intervals to discuss and decide on the Company's performance and strategies. During the financial year under review, the Board met 13 (Thirteen) times and the gap between two meetings did not exceed one hundred and twenty days (120).

| S. N. | Date of Meeting | Board Strength | No. of Directors Present |
|-------|-----------------|----------------|--------------------------|
| 1. | 15/04/2024 | 5 | 5 |
| 2. | 28/05/2024 | 5 | 5 |
| 3. | 12/07/2024 | 5 | 5 |
| 4. | 02/08/2024 | 5 | 5 |
| 5. | 09/08/2024 | 5 | 5 |
| 6. | 08/10/2024 | 6 | 6 |
| 7. | 18/10/2024 | 6 | 6 |
| 8. | 25/10/2024 | 6 | 6 |
| 9. | 21/11/2024 | 5 | 5 |
| 10. | 23/01/2025 | 5 | 5 |
| 11. | 11/02/2025 | 5 | 5 |
| 12. | 27/02/2025 | 5 | 5 |
| 13. | 12/03/2025 | 5 | 5 |

II. COMMITTEES MEETING

• AUDIT COMMITTEE

Our Company has constituted an Audit Committee with its composition, quorum, powers, roles and scope in line with the applicable provisions of the Act and Listing Regulations. The Audit Committee of the company consists of two Independent Directors and one Executive Director of the Company. All the Directors have good understanding Finance, Accounts and Law. Composition of audit committee of the company as on 31st March, 2025 is as follows:

| SN | Name of Member | Designation | Nature of Directorship |
|----|---------------------------------|-------------|------------------------------------|
| 1 | Vipulbhai Subhashchandra Munshi | Chairman | Non-Executive Independent Director |
| 2 | Vandanaben Satishbhai Dalal | Member | Non-Executive Independent Director |
| 3 | Harishbhai Fatandas Sawlani | Member | Managing Director |

During the financial year 2024-25, Six (7) meetings of Audit Committee were held on following dates:

| | | |
|------------|------------|------------|
| 15-04-2024 | 28-05-2024 | 02-08-2024 |
| 09-08-2024 | 25-10-2024 | 23-01-2025 |
| 11-02-2025 | | |

Attendance of members for the meeting of Audit Committee held during the year 2024-25 are as below

| SN | Name of Member | Status in Committee | No of meetings Attended | No of meetings entitled to Attend |
|----|---------------------------------|---------------------|-------------------------|-----------------------------------|
| 1 | Vipulbhai Subhashchandra Munshi | Chairman | 3 | 3 |
| 2 | Vandanaben Satishbhai Dalal | Member | 7 | 7 |
| 3 | Harishbhai Fatandas Sawlani | Member | 7 | 7 |

The term of reference of Audit Committee is as below:

The scope of audit committee shall include, but shall not be restricted to, the following;

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. management letters / letters of internal control weaknesses issued by the statutory auditors;
3. internal audit reports relating to internal control weaknesses; and
4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
5. statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

• NOMINATION AND REMUNERATION COMMITTEE

Our Company has constituted Nomination and Remuneration Committee with its composition, quorum, powers, roles and scope in line with the applicable provisions of the Act and Listing Regulations. The Nomination and Remuneration Committee of the company consists of three Independent Directors of the Company. Composition of Nomination and Remuneration Committee of the company as on 31st March, 2025 is as follows:

| SN | Name of Member | Designation | Nature of Directorship |
|----|---------------------------------|-------------|------------------------------------|
| 1 | Vipulbhai Subhashchandra Munshi | Chairman | Non-Executive Independent Director |
| 2 | Vandanaben Satishbhai Dalal | Member | Non-Executive Independent Director |
| 3 | Reena Harish Sawlani | Member | Non-Executive Director |

During the financial year 2024-05, Three (3) meetings of Nomination and Remuneration Committee were held on following dates:

| | | |
|------------|------------|------------|
| 28-05-2024 | 02-08-2024 | 12-03-2025 |
|------------|------------|------------|

Attendance of members for the meeting of Nomination & Remuneration Committee held during the year 2024-25 are as below:

| SN | Name of Member | Status in Committee | No of meetings Attended | No of meetings entitled to Attend |
|----|---------------------------------|---------------------|-------------------------|-----------------------------------|
| 1 | Vipulbhai Subhashchandra Munshi | Chairman | 1 | 1 |
| 2 | Vandanaben Satishbhai Dalal | Member | 3 | 3 |
| 3 | Reena Harish Sawlani | Member | 3 | 3 |

The term of reference of Nomination & Remuneration Committee is as below:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
4. Devising a policy on diversity of board of directors;
5. 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.
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. Recommend to the board, all remuneration, in whatever form, payable to senior management.

The performance evaluation of the independent director was evaluated by the board after seeking inputs from all the independent directors on the basis of the criteria such as participation in decision making and rendering unbiased opinion; participation in initiating new ideas and planning of the company etc.

The board reviewed the performance of the independent directors on the basis of the criteria such as the contribution in raising concerns to the Board, safeguarding of confidential information, rendering independent unbiased opinion etc. The web link is www.shantaiindustrieslimited.com/policies

REMUNERATION OF DIRECTORS

During the year, company has paid Rs. 1,20,000 sitting fees to Non-Executive directors.

| Name | Category | Remuneration (Rs.) | Sitting Fees (Rs.) |
|-----------------------------------|------------------------------------|--------------------|--------------------|
| Harish Fatandas Sawlani | Managing Director | 1,35,000 | - |
| Vasudev Fatandas Salwani | Whole-time Director | 1,35,000 | - |
| Reena Harish Sawlani | Non-Executive Director | - | 40,000 |
| Vandanaben Satishbhai Dalal | Non-Executive Independent Director | - | 40,000 |
| Omprakash Vishandas Lakhwani* | Non-Executive Independent Director | - | 20,000 |
| Vipulbhai Subhashchandra Munshi** | Non-Executive Independent Director | - | 20,000 |

* Omprakash Vishandas Lakhwani resigned w.e.f 25/10/2024

** Vipulbhai Subhashchandra Munshi appointed w.e.f 29/08/2024

REMUNERATION POLICY

The Company has adopted and implemented the Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 which is available on the website of the Company www.shantaiindustrieslimited.com/policies

The remuneration payable to Directors, Key Managerial Personnel and Senior Management Person will involve a balance between fixed and incentive pay reflecting short term and long-term performance objectives appropriate to the working of the Company and support in the achievement of Corporate Goals.

• STAKEHOLDER'S RELATIONSHIP COMMITTEE

The term of reference of Stakeholder's Relationship Committee is as below:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

To solve the investors grievances Company has formulated Stakeholder's Relationship Committee.

Composition of the Committee as on 31st March, 2025 is as follows:

| SN | Name of Member | Designation | Nature of Directorship |
|----|---------------------------------|-------------|------------------------------------|
| 1 | Reena Harish Sawlani | Chairman | Non-Executive Director |
| 2 | Vipulbhai Subhashchandra Munshi | Member | Non-Executive Independent Director |
| 3 | Vandanaben Satishbhai Dalal | Member | Non-Executive Independent Director |

During the financial year 2024-25, Four (4) meetings of Stakeholder's Relationship Committee were held on following dates:

| | | | |
|------------|------------|------------|------------|
| 28-05-2024 | 12-07-2024 | 21-11-2024 | 11-02-2025 |
|------------|------------|------------|------------|

Attendance of members for the meeting of Stakeholder's Relationship Committee held during the year 2024-25 are as below:

| SN | Name of Member | Status in Committee | No of meetings Attended | No of meetings entitled to Attend |
|----|---------------------------------|---------------------|-------------------------|-----------------------------------|
| 1 | Reena Harish Sawlani | Chairman | 4 | 4 |
| 2 | Vipulbhai Subhashchandra Munshi | Member | 2 | 2 |
| 3 | Vandanaben Satishbhai Dalal | Member | 4 | 4 |

Name & Designation and address of the Compliance Officer

CS SHIPRA MEHTA

Company Secretary & Compliance Officer,

Shantai Industries Limited,

Shop 10 2nd Floor, Agrasen Point, Nr Agrasen Bhavan, City light Road, Barthian, Surat, Gujarat, India, 395007

Pursuant to the Regulation 13(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015; the details regarding investor's complaints during the year are as follows:

Status of Complaints pending, received, disposed and unresolved:

| | |
|---|-----|
| Number of Shareholders' Complaints Pending at the beginning of the year | NIL |
| Number of Shareholders' Complaints received during the year | 4 |
| Number of Shareholders' Complaints disposed during the year | 4* |
| Number of Shareholders' Complaints remain unresolved during the year | NIL |

*Note: The Company received 3 investor complaints on which action taken report was submitted before 31st March, 2025 but the complaints were closed on SEBI Scores portal after 31st March, 2025

16. LOANS, GUARANTEES AND INVESTMENT

The particulars of loans given by the company under section 186(4) of Companies Act, 2013 have been disclosed in the financial statements of the company.

17. DECLARATION BY INDEPENDENT DIRECTORS

Company has received declaration from all the independent directors duly signed by them stating that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013.

There has been no change in the circumstances affecting their status as Independent Directors of the Company to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant regulations.

All the independent directors have cleared "Online Self-Assessment Test" examination with the Indian Institute of Corporate Affairs at Manesar except Mr. Vipulbhai Subhashchandra Munshi who has been appointed on 29th August, 2024.

SEPARATE MEETING OF INDEPENDENT DIRECTORS:

In terms of requirement of Schedule IV of the Companies Act, 2013, the Independent Directors of the company have complied with the code of Independent Director. Independent Directors met separately on 01st March, 2025 to inter alia review the performance of Non-Independent Directors (Including the Chairman), the entire Board and the quality, quantity and timeliness of the flow of the information between the Management and the Board.

18. FAMILIARIZATION TO INDEPENDENT DIRECTORS:

The Independent Directors of the Company are familiarized with the various aspects of the Company provided with an overview of the requisite criteria of independence, roles, rights, duties and responsibilities of directors, terms of appointment of the Company and policies of the Company and other important regulatory aspects as relevant for directors.

The Company, through its Executive Director or Manager as well as other Senior Managerial Personnel, conducts presentations/programs to familiarize the Independent Directors with the strategy, operations and functions of the company inclusive of important developments in business. The details of number of programs attended and the cumulative hours spent by an independent director are uploaded on the website of the company. The web link is www.shantaiindustrieslimited.com/policies

The terms and conditions of independent directors is available on the website of the company at www.shantaiindustrieslimited.com/policies

Meeting of Independent Director

During the financial year 2024-25 one meeting of Independent Director was held on 01st March, 2025.

Attendance of Directors at Independent Directors meeting held during the financial year is as under:

| Name of Directors | Categories | No. of Meeting Attended |
|-------------------------------------|------------|-------------------------|
| Mr. Vipulbhai Subhashchandra Munshi | Chairman | 1 |
| Mrs. Vandanaben Satishbhai Dalal | Member | 1 |

19. VIGIL MECHANISM

Pursuant to section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Power) Rules, 2014, the Board of Director has adopted vigil mechanism in the form of Whistle Blower Policy through which, its Directors, Employees and Stakeholders can report their genuine concerns about unethical behaviours, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

It is the Company's Policy to ensure that no employee is victimized or harassed for bringing such incidents to the attention of the Company. The practice of the Whistle Blower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee. The said policy provides for adequate safeguards against victimization and also direct access to the higher levels of supervisors.

Mr. Vipulbhai Subhashchandra Munshi, the Chairman of the Audit Committee can be contacted to report any suspected/confirmed incident of fraud/misconduct on:

Email: vipulmunshi465@gmail.com

Contact no.: +919825150396

Your Company hereby affirms that no director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

20. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, your directors hereby confirm:

- A. That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departments;
- B. That the directors have 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 if the Company at the end of the financial year and of the profit and loss of the Company for that period;
- C. That 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 for preventing and detecting fraud and other irregularities;
- D. That the directors had prepared the annual accounts on a going concern basis; and
- 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.

21. ANNUAL EVALUATION

During the year, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including Chairman of the Board.

This exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors.

The board evaluated the performance of the board after seeking inputs from all the directors based on the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The board evaluated the performance of the committees after seeking inputs from the committee members based on the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors based on the criteria such as the contribution of the individual director to the board and committee meetings like decision-making, participation in meeting, overall performance, etc. In addition, the chairperson was also evaluated on the key aspects of his role.

The Board acknowledged certain key improvement areas emerging through this exercise and action plans to address these are in progress. The performance evaluation of the Non-Independent Directors, performance of Board as a whole including Chairman was carried out by the Independent Directors at a separate meeting of the Independent Directors on 01st March, 2025.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

22. INTERNAL FINANCIAL CONTROL SYSTEM

The Company has a well-placed, proper and adequate internal financial control system which ensures that all the assets are safeguarded and protected and that the transactions are authorized recorded and reported correctly. The internal audit covers a wide variety of operational matters and ensures compliance with specific standard with regards to availability and suitability of policies and procedures. During the year no reportable material weakness in the design or operation were observed.

23. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Companies Act, 2013 re-emphasizes the need for an effective internal financial control system in the company. Rule 8(5) (viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of internal financial controls with reference to the financial statements to be disclosed in the board' report. The detailed report forms part of Independent Auditors Report.

24. CORPORATE GOVERNANCE

The paid-up share capital of our company is below Rs. 10 crores and net worth of our company is below Rs. 25 crores therefore, pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the compliance with corporate governance as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation 2 of regulation 46 and Para C, D and E of Schedule V shall apply to the extent that it does not violate their respective statutes and guidelines or directives issued by the relevant authorities. Hence your company is exempted to comply with aforesaid provisions of the SEBI (LODR) Regulation, 2015. Hence corporate Governance does not form part of this Board's Report.

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING

The particulars required to be included in terms of Section 134(3)(m) of the Companies Act, 2013 with regard to Conservation of energy, Technology absorption, Foreign exchange earnings and outgo are given below:

A. CONSERVATION OF ENERGY

- i. The steps taken or impact on conservation of energy: Nil
- ii. The steps taken by the Company for utilizing alternate sources of energy: NA
- iii. The capital investment on energy conservation equipment: NA

B. TECHNOLOGY ABSORPTION

- i. The efforts made towards technology absorption: NA

- ii. The benefits derived like product improvement, cost reduction, product development or import substitution: NA
- iii. In case of imported technology (imported during last three years reckoned from the beginning of the financial year): NA
- iv. The expenditure incurred on research & development during the year: NA

C. FOREIGN EXCHANGE EARNING AND OUTGO

The foreign exchange earnings and expenditure of your Company: Nil

26. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of Section 135(1) and 135(5) of the Companies Act, 2013 regarding constitution of Corporate Social Responsibility (CSR) Committee and spending of at least 2% of average net profit are not applicable to the Company.

27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015, the Management Discussion and Analysis Report of the financial condition is annexed and forms an integral part of the Directors' Report is given in **Annexure - 1**.

28. STATUTORY AUDITORS

The Members at the Annual General Meeting of the Company held on 24th September, 2021, had appointed M/s. DSI & Co., Chartered Accountants (Firm Registration No. 127226W) as the Statutory Auditor of the Company to hold office for a term of five years i.e., up to financial year ending March 2026.

29. INTERNAL AUDITOR

The Company has appointed M/s. Dharan Shah & Associates, Chartered Accountants (FRN 145180W), as an Internal Auditor in the Board meeting held on 07th September, 2021 after obtaining his willingness and eligibility letter for appointment as Internal Auditor of the Company.

Internal Auditors are appointed by the Board of Directors of the Company, based on the recommendation of the Audit Committee. The Internal Auditor reports their findings on the internal Audit of the Company to the Audit Committee on a quarterly basis. The scope of Internal audit is approved by the Audit Committee.

30. SECRETARIAL AUDITOR

Your board had appointed Mr. Ranjit Binod Kejriwal, Practicing Company Secretary, as secretarial Auditor of the company for the period of five years starting from 2022-23 to 2026-27 on the Board Meeting held on 20th October, 2022. Mr. Ranjit Kejriwal, resigned from the position of Secretarial Auditor of the Company with effect from 20th January, 2025.

Your board has appointed Mr. Jitendrakumar Rewashanakar Rawal, Practicing Company Secretary, as secretarial Auditor of the company for providing annual secretarial audit report of company for the term of Financial Year 2024-25.

Your board, based on the recommendation of Audit Committee, proposed for the approval of members in this Annual General Meeting, the appointment of Mr. Ranjit Binod Kejriwal, Company Secretary in practice, (FCS: 6116, COP: 5985) and a Peer Reviewed Company Secretary, as the Secretarial Auditor of the company, for performing Secretarial Audit of the company for a period of five consecutive years commencing from 01st April, 2025 till 31st March, 2030 in accordance with the amendment notified in Regulation 24A by way of SEBI (LODR) (Third Amendment) Regulations, 2024, with effect from 01st April, 2025.

The secretarial report for the financial year 2024-25 is attached as **Annexure-2**. The management hereby assures to stay more vigilant towards compliance and uphold strictest standards of corporate governance to avoid future non compliances.

31. COMMENTS ON AUDITOR'S REPORT

The notes referred to in the Auditor Report are self-explanatory and they do not call for any further explanation as required under section 134 of the Companies Act, 2013.

32. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There was no employee drawing remuneration in excess of limits prescribed under section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Disclosure pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are as per **Annexure - 3**.

33. RISK MANAGEMENT

Risks are events, situations or circumstances which may lead to negative consequences on the Company's business. Risk Management is a structured approach to manage uncertainty. An enterprise-wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Structure, and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

The risk management process over the period of time will become embedded into the Company's business system and processes, such that our responses to risk remain current and dynamic.

The detailed Statement on Risk Management has been attached in **Annexure -4**.

34. CEO and CFO CERTIFICATION

Pursuant to Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to declaration by CEO and CFO is not applicable to the company. Hence, the same does not form part of this Board's Report.

35. CODE OF CONDUCT

Pursuant to Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provision of Para D of Schedule V of SEBI (LODR) relating to Declaration by CEO is not applicable to the company. Hence the same does not form part of this Board's Report.

36. CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

Mr. Jitendrakumar Rewashankar Rawal, Practicing Company Secretary has issued a certificate required under the listing regulations, confirming that none of the Directors on the Board of the company has been debarred or disqualified from being appointed or continuing as director of the company by SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as **Annexure - 5**.

37. SEXUAL HARASSMENT OF WOMEN

Your company adopted policy of "Prevention of Sexual Harassment of Women at Workplace". There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. The objective of this policy is to provide protection against sexual harassment of women at workplace and for redressal of any such complaints of harassment, internal complaints committee has been set up to redress the complaints, if any.

The company has complied with the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your director's further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

38. COMPLIANCE WITH MATERNITY BENEFIT ACT:

The company has complied with the provisions of the Maternity Benefit Act.

39. SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)

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

40. FRAUD REPORTING

During the year under review, no fraud has been reported by Auditors under Section 143(12) of the Companies Act, 2013.

41. MAINTENANCE OF COST RECORDS

The company is not required to maintain Cost Records as specified by Central Government under section 148(1) of the Companies Act, 2013, and accordingly such accounts and records are not made and maintained.

42. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. The policy is available at www.shantaiindustrieslimited.com/policies.

43. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There was no significant material order passed by the regulators or courts or tribunals impacting the going concern status and company's operation in nature.

44. RESEARCH & DEVELOPMENT

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of Company.

45. INSURANCE:

All the properties and the Insurable Interest of the company including building and stocks wherever necessary and to the extent required have been adequately insured. The company keeps reviewing the insurance amount every year as per requirement.

46. OTHER DISCLOSURES

There are no proceedings initiated/ pending against your company under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution.

47. APPRECIATION

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment and express their sincere thanks and appreciation to all the employees for their continued contribution, support and co-operation to the operations and performance of the company.

48. ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in successful performance of the Company during the year.

Place: Surat
Date: 29-08-2025

For the Board of Director
Shantai Industries Limited

Sd/-
Harishbhai Fatandas Sawlani
Chairman and Managing Director
DIN: 00831848

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Report contains forward-looking statements that involve risks and uncertainties. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the included financial statements and the notes.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Global Economy and Outlook

The global economy in FY 2024–25 remained on a cautious path of recovery amid a challenging and uncertain macroeconomic environment. While headline inflation eased across several major economies, tight monetary policies, geopolitical tensions, and structural shifts continued to influence global growth patterns.

According to the International Monetary Fund (IMF), global GDP growth for the year was estimated at around 3.0%, reflecting moderate expansion in both advanced and emerging markets. Advanced economies, including the United States and the Eurozone, experienced slower but stable growth, supported by resilient labor markets and gradual normalization of interest rates. Emerging economies, particularly in Asia, continued to be key drivers of global demand, led by domestic consumption and improved manufacturing activity.

Global trade, however, remained under pressure due to fragmented supply chains, rising protectionist policies, and slower industrial output in several regions. Currency volatility and higher borrowing costs also posed challenges for capital-intensive industries and export-driven sectors.

Geopolitical uncertainties—including ongoing conflicts in parts of Europe and the Middle East, and strained trade relations between major economies—contributed to elevated global risk perceptions and cautious investor sentiment.

Looking ahead, the outlook for FY 2025–26 suggests modest but uneven growth, with central banks expected to gradually ease monetary policy depending on inflation trends. Key global themes such as supply chain diversification, sustainability-driven innovation, digital transformation, and regionalization of trade are expected to shape economic activity and investment flows.

Amidst these conditions, businesses must remain agile and resilient. The Company continues to monitor global macroeconomic developments closely and is actively pursuing strategies to enhance operational efficiency, strengthen market presence, and mitigate external risks.

Indian Economic Overview & Outlook

India's economy maintained its strong growth trajectory in FY 2024–25, with GDP expanding at an estimated rate of around 7%, supported by resilient domestic demand, continued infrastructure development, and government-led reforms. Despite global headwinds and geopolitical uncertainties, India remained one of the fastest-growing major economies in the world.

From a textile industry perspective, FY 2024–25 was a year of gradual recovery and realignment. After facing challenges in the previous fiscal year due to weak global demand, raw material price fluctuations, and high logistics costs, the sector showed signs of stabilization. Improvement in cotton availability,

easing input costs, and stronger domestic consumption contributed to better performance in the second half of the year.

The Government of India's sustained focus on the textile and apparel sector through schemes like the Production Linked Incentive (PLI) Scheme, PM MITRA Parks, and enhanced support for export competitiveness played a key role in reviving industry confidence. Growth in e-commerce and organized retail also provided new channels for domestic textile demand.

The outlook for the Indian economy and the textile sector in FY 2025–26 is cautiously optimistic. With inflation moderating and interest rates expected to stabilize, consumer sentiment is likely to strengthen. The government's continued emphasis on "Make in India", coupled with rising global interest in China +1 sourcing strategies, positions India's textile industry to gain a larger share in the global textile and apparel trade.

Key growth drivers include:

- Rising domestic consumption, especially in fashion, home textiles, and technical textiles
- Increased investment in textile infrastructure and digitization
- Greater emphasis on sustainability and circular economy practices
- Ongoing integration into global value chains

The Company remains committed to building operational resilience, enhancing product quality and design innovation, and pursuing strategic export opportunities. With a favorable macroeconomic environment and proactive industry initiatives, the Indian textile sector is well-positioned for long-term, sustainable growth

Industry Outlook and Trends

The Indian textile industry, a vital contributor to the country's economy and employment, demonstrated resilience and adaptability during FY 2024–25 amidst a dynamic global and domestic landscape. The industry witnessed a gradual recovery driven by improving demand, supportive government policies, and increasing integration with global value chains.

Sustainability continued to gain prominence, with increasing demand for eco-friendly fabrics, organic cotton, and sustainable manufacturing processes. Textile manufacturers are adopting circular economy principles and compliance with global environmental standards to meet evolving consumer expectations and regulatory requirements.

The adoption of Industry 4.0 technologies such as automation, IoT, and AI in textile manufacturing improved operational efficiencies, quality control, and supply chain visibility. Digitization also enabled better inventory management and faster response to market trends.

There was a growing focus on technical textiles, including specialty fabrics used in healthcare, automotive, construction, and protective gear sectors. This segment offers higher margins and export potential, attracting increased investments.

The rise of e-commerce and omni-channel retailing reshaped the demand landscape, with consumers seeking greater customization, faster delivery, and sustainable fashion options. Brands are leveraging digital platforms to enhance customer engagement and reach.

While traditional export markets faced headwinds, Indian textile exporters diversified into emerging markets in Asia, Africa, and Latin America. The ongoing geopolitical shifts and trade realignments presented opportunities to strengthen India's position as a preferred sourcing destination.

Schemes such as the Production Linked Incentive (PLI) for textiles, PM MITRA Parks, and enhancements in infrastructure and logistics boosted competitiveness. The government's focus on "Make in India" and export promotion remains a key growth driver

The textile industry is poised for steady growth in FY 2025–26, supported by structural reforms, rising domestic consumption, and expanding export opportunities. Companies that invest in innovation, sustainability, and supply chain agility are expected to outperform in this evolving market environment. Challenges such as raw material price volatility, regulatory compliance, and global economic uncertainties will require proactive risk management and strategic planning.

Opportunities in 2025

The year 2025 presents several promising opportunities for the Indian textile industry, driven by evolving consumer trends, global trade shifts, and policy support. As the sector continues to adapt to a rapidly changing landscape, forward-looking textile companies are well-positioned to capitalize on emerging growth areas.

The expansion of online fashion and home textile retail continues to reshape consumer buying behaviour. Direct-to-consumer (D2C) models and digital sales platforms provide opportunities for higher margins and brand visibility. Adoption of smart manufacturing, automation, and data analytics offers cost savings, better quality control, and faster time-to-market—key enablers for competitiveness in 2025 and beyond.

Segment-Wise or Product-Wise Performance

Over the last few years, as a **growth-oriented company** we have focused on diversifying into finished products as we see a long run way for growth in sales of these products. This has helped us to grow our profitability margins.

The total revenue of the company stood at INR Lacs 2024.96 which was INR 129.91 Lacs in previous year.

Outlook

Our growth will depend upon the improvement of the operational efficiencies. The improvement of operational efficiency will enhance the profitability of the Company. We intend on implementing various measures to improve our operational efficiencies. We intend to maximize our operational efficiency by achieving greater integration and by implementing a stronger supply chain management.

Risks, Threats and Concerns

Raw Material Price Volatility

The Company is exposed to fluctuations in the prices of key raw materials such as cotton, polyester, and dyes. Sudden spikes or supply disruptions can impact production costs and profitability. Diversified sourcing and inventory planning are used to mitigate this risk.

Geopolitical and Trade Uncertainties

Ongoing geopolitical tensions, changing international trade policies, and the imposition of tariffs or non-tariff barriers can disrupt supply chains and demand in key export markets.

Competition and Pricing Pressure

The textile industry is highly competitive, both domestically and globally. Price undercutting by low-cost producers, especially in countries with government subsidies, can impact margins. Continuous focus on quality, innovation, and efficiency helps the Company stay competitive.

Environmental and Compliance Risks

Increasing regulatory requirements related to pollution control, sustainability, and labor laws pose compliance risks. Non-compliance may result in penalties, loss of reputation, or restricted market access. The Company is committed to environmental and ethical standards and continuously invests in sustainable practices.

Technological Disruption

Failure to keep pace with technological advancements in manufacturing, automation, and product development may impact operational efficiency and market relevance. The Company mitigates this risk through regular upgrades and investment in modern technologies.

Consumer Behavior Shifts

Rapid changes in fashion trends and customer preferences, especially in global markets, pose a risk of inventory obsolescence. The Company monitors market trends closely and maintains a flexible production model to respond to changing demand.

Climate and Natural Risks

Being dependent on agricultural inputs like cotton, the Company may be impacted by erratic weather patterns, droughts, or floods. These factors can affect both availability and cost of raw materials.

Material Developments in Human Resources / Industrial Relations Front, including number of people employed

During the year under review, the Company continued to focus on fostering a positive and productive work environment through employee engagement initiatives, training programs, and performance-driven culture. Emphasis was placed on skill development and workforce upskilling to meet the evolving needs of the textile manufacturing sector. The industrial relations climate remained cordial throughout the year, with no major disruptions in operations. Today, the Company employed a total of 15 employees, comprising both skilled and semi-skilled personnel, ensuring smooth production and operational efficiency. The Company remains committed to employee welfare, safety, diversity, and implementing best HR practices to attract and retain talent.

Internal Control Systems and Their Adequacy

Achieving adequacy in internal controls requires a comprehensive and integrated approach that addresses risks across all levels and functions of the organization. It requires commitment from management, ongoing monitoring and evaluation, and responsiveness to changes in the internal and external environment. Well-designed and effectively implemented internal controls contribute to operational efficiency, reliability of financial reporting, compliance with laws and regulations, and protection of assets. All the internal control measures have been reviewed by Audit Committee and the Management and necessary steps has been taken to improve the same to meet the company's objective.

Discussion on Financial Performance with respect to Operational Performance

During the FY 2024-25, company had placed adequate internal control in the company and ace in achieving the more than 100% increase in revenue from operations to INR 2024.96 Lacs as compared to INR 129.91 Lacs in previous year.

Details of Significant Changes in Key Financial Ratios

The Significant ratios of the company are as follow: -

| S. N. | Ratio | 2025 | 2024 |
|-------|-----------------------------------|---------|--------|
| 1 | Income from Operations (In Lakhs) | 2024.96 | 129.19 |

| | | | |
|---|----------------------------------|-------|--------|
| 2 | Operating Profit Margin | 1.60 | -4.88% |
| 3 | Current Ratio | 3.62 | 273.12 |
| 4 | Trade Receivables Turnover Ratio | 2.98 | 1.17 |
| 5 | Trade Payables Turnover Ratio | 8.41 | 2.33 |
| 6 | Net Profit Margin | 1.51% | -4.88% |
| 7 | Return on Capital employed | 4.24% | -0.86% |

Reasons for significant variation in ratios:

The reasons for variation in excess of 25% in various ratios are explained as follows:-

1. Operating Profit Margin

During the year, the company have earned profit whereas in the earlier year the company has incurred loss and hence, there is a variation in the Net Profit Ratio

2. Current Ratio

During the year, current liability of the company has increased significantly as compared to the current asset of the company and hence, there is a variation in current ratio.

3. Trade Receivables turnover ratio

During the year, the turnover and trade receivable of the company has increased significantly and thus, there is a variation in the Trade Receivable Turnover Ratio in the current year as compared to the earlier year

4. Trade payables turnover ratio

During the year, the purchase of the company has increased significantly and hence, there is a variation in the Trade Payable Turnover Ratio.

5. Net profit ratio

During the year, the company have earned profit whereas in the earlier year the company has incurred loss and hence, there is a variation in the Net Profit Ratio.

6. Return on Capital employed

During the year, the company have earned profit whereas in the earlier year the company has incurred loss and hence, there is a variation in the Return on Capital Employed Ratio.

Place: Surat
Date: 29-08-2025

For the Board of Director
Shantai Industries Limited

Sd/-
Harishbhai Fatandas Sawlani
Chairman and Managing Director
DIN: 00831848

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2025

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

To,
 The Board of Directors
SHANTAI INDUSTRIES LIMITED
 CIN: L46411GJ1988PLC013255
 Shop 10 2nd Floor, Agrasen Point, Nr. Agrasen Bhavan,
 Citylight Road, Bharthana,
 Surat, Gujarat, India, 395007

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Shantai Industries Limited**, (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 on test check basis of the **M/s. Shantai Industries Limited**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Shantai Industries Limited** for the financial year ended on **31st March, 2025** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable during the year:-
 - 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. **the regulation is not applicable during the Financial Year 2024-25**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **the regulation is not applicable during the Financial Year 2024-25**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **the regulation is not applicable during the Financial Year 2024-25**
 - 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; **the regulation is not applicable during the Financial Year 2024-25**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2016; **the regulation is not applicable during the Financial Year 2024-25** and
 - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. **the regulation is not applicable during the Financial Year 2024-25**
- vi. Other Laws Specifically Applicable to Company:
 - a. Income Tax Act, 1961
 - b. Goods & Service Tax and other Indirect Taxes
 - c. Labour Laws

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

- i. Secretarial Standards with regard to the Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Limited Stock Exchange of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During The year under review, the company has generally complied with the provisions of the act, rules, regulations and guidelines mentioned above except the Following:

1. The shares of Mrs. Priya Sawlani were transmitted to Mr. Vasudev Sawlani, her husband without requisite compliance under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
2. An investor complaint remained unanswered by the Company for more than 21 days and hence, the matter was escalated to Stock Exchange for resolution.
3. Shareholding pattern filed for the December, 2024 quarter was revised.
4. Notice of Extraordinary General Meeting held on March 31, 2025 was improper in terms of disclosures as proxy form, attendance slip and polling paper were not attached to it.
5. Voting results for the Extraordinary General Meeting held on March 31, 2025 were intimated to the Stock Exchange before the intimation of Scrutinizer report.
6. The audited financial statements for the financial year 2024-25 were revised due incorrect disclosures in the declaration attached to aforesaid financial statements stating that the audit report contains unmodified opinion.
7. The Newspaper publication of financial statements were done without the publication of QR code of the webpage where complete financial results of the listed entity were uploaded.
8. The Resignation letter of Company Secretary and Compliance Officer was not disclosed to the stock exchange within 7 days from the date that such resignation came into effect.
9. Disclosures with regards to filing of non-applicability of large corporates were not done.
10. The declarations with regards to encumbrances on promoter holdings under Regulation 31(4) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 were not done timely.
11. The amount of unclaimed dividend is Rs. 23,749/- as on year ended on 31st March, 2025, but no forms have been filed for the same neither any details for the same been received.
12. The company has not filed IEPF Form-2 (Statement of unclaimed and unpaid dividend).
13. The following XBRL filings with stock exchange were not done:

| SN | XBRL Type | Purpose |
|----|---------------------------|--|
| 1. | Changes in Management | Resignation of Company Secretary & Compliance Officer |
| 2. | | Appointment of Company Secretary & Compliance Officer |
| 3. | Prior intimation of Board | Prior intimation of Board Meeting filed on February 01, 2025 |
| 4. | Meeting | Prior intimation of Board Meeting filed on February 19, 2025 |

14. The following mentioned forms has been filed with ROC after due date with additional fees.

| SN | Forms | Purpose of form | SRN | Additional fees |
|----|--------|---|-----------|-----------------|
| 1. | MGT-14 | Grant of loan | AB0693513 | Rs. 2400/- |
| 2. | SH-7 | Alteration of Capital Clause in the MOA | AB3752231 | Rs. 1200/- |

15. The company has not filed the following mentioned forms with ROC

| SN | Forms | Purpose of form |
|----|--------|---|
| 1. | MGT-14 | Appointment of Secretarial Auditor for the financial year 2024-25 |
| 2. | MGT-14 | Borrow Money |
| 3. | DPT-3 | Transactions not considered as deposits |

I further report that, based on the information provided by the company, its officers and authorised representative during the conduct of the audit, and also on the review of reports by CS/CFO and Statutory Auditor of the company, in my opinion, adequate systems and processes and control mechanism exist in the company to monitor and ensure compliance with applicable general laws.

I further report that, the compliance by the company of applicable financial laws, like direct and indirect tax laws and other acts as mentioned in point (vi), has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors, if any 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 Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance 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 duly recorded and signed by the chairman, the decisions of the board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Date: 29-08-2025

Place: Surat

Sd/-

Name of PCS: Jitendrakumar Rewashankar Rawal

M. No.: A54651

C P No.: 20283

UDIN: A054651G001113203

PR: 2302/2022

This report is to be read with our letter dated 29th August, 2025 which is annexed and forms an integral part of this report.

To,

The Board of Directors
SHANTAI INDUSTRIES LIMITED
(CIN: L46411GJ1988PLC013255)
Shop 10 2nd Floor, Agrasen Point, Nr. Agrasen Bhavan,
Citylight Road, Bharthana,
Surat, Gujarat, India, 395007

Our Secretarial Audit report dated 29th August, 2025 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were considered 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, we followed, provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever 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.

Date: 29-08-2025
Place: Surat

Sd/-
Name of PCS: Jitendrakumar Rewashankar Rawal
M. No.: A54651
C P No.: 20283
UDIN: A054651G001113203
PR: 2302/2022

Annexure- 3

The Disclosures pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are as under:

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2024-25, ratio of the remuneration of the employees of the Company for the financial year 2024-25, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name of Director/KMP and Designation | Remuneration of Director/KMP for F.Y. 2024-25 (Amount in Rs.) | % increase in Remuneration in the F.Y. 2024-25 | Ratio of Remuneration of each Director/to median remuneration of employees |
|---------|---|---|--|--|
| 1. | Harishbhai Fatandas Sawlani Managing Director | 135000 | N.A. | 0.84:1 |
| 2. | Vasudev Fatandas Sawlani Whole-Time Director | 135000 | N.A. | 0.84:1 |
| 3. | Reena Harish Sawlani Non-Executive Director | 40,000^ | NIL | 0.25:1 |
| 4. | Omprakash Vishandas Lakhwani Non-Executive Independent Director [#] | 20,000^ | NIL | 0.12:1 |
| 5. | Vipulbhai Subhashchandra Munshi - Non-Executive Independent Director ^{##} | 20,000^ | NIL | 0.12:1 |
| 6. | Vandanaben Satishbhai Dalal Non-Executive Independent Director | 40,000^ | NIL | 0.25:1 |
| 7. | Sailesh Joseph Damor Chief Financial Officer | 4,64,735 | 158.33 | N.A. |
| 8. | Komal Sharad Agarwal* Company Secretary & Compliance Officer | 1,70,192 | N.A. | N.A. |
| 9. | Shipra Mehta ** Company Secretary & Compliance Officer | 13,000 | N.A. | N.A. |

^ Payment of Sitting fees

Resigned w.e.f 25.10.2024

Appointed w.e.f. 29.08.2024

* Resigned w.e.f 12.03.2025

**Appointed w.e.f. 12.03.2025

(i) Names of the top ten employees in terms of remuneration drawn from the Company in the financial year 2024-25:

| Sr. No. | Name & Designation | Qualification | Remuneration (Amount in Rs.) | Date of Appointment | Age (In years) | Relative of Director/ Manager | Percentage of Equity Shares |
|---------|---|------------------------------------|------------------------------|---------------------|----------------|-------------------------------|-----------------------------|
| 1 | Vishal Vasudev Sawlani – Project Incharge | Diploma in Business Administration | 7,20,000 | 01/04/2025 | 40 | Son of Vasudev Salwani | NIL |
| 2 | Sailesh Joseph Damor - Chief Financial | B. Com | 4,64,735 | 04/11/2015 | 52 | N.A. | NIL |

| | Officer | | | | | | |
|----|--|-------------------|----------|------------|----|------|-----|
| 3 | Kajal Jitendrakumar Jain - Accountant | Graduate | 2,80,000 | 01/09/2024 | 30 | N.A. | NIL |
| 4 | Bahubal Kapadia - Advisor | Under Graduate | 2,40,000 | 01/09/2024 | 67 | N.A. | NIL |
| 5 | Vipul K. Kayastha -- Accountant | B. Com | 1,94,833 | 01/09/2024 | 51 | N.A. | NIL |
| 6 | Komal Sharad Agarwal - Company Secretary & Compliance Officer* | Company Secretary | 1,70,192 | 29/04/2023 | 30 | N.A. | NIL |
| 7 | Suresh Kumawat - Clerical Staff | Under Graduate | 1,68,000 | 01/09/2024 | 55 | N.A. | NIL |
| 8 | Mukeshkumar P. Sharma -- Clerical Staff | Metric Pass | 1,64,795 | 01/09/2024 | 49 | N.A. | NIL |
| 9 | Dineshchandra Chhotelal Kumavat -- Clerical Staff | Under Graduate | 1,53,120 | 01/09/2024 | 53 | N.A. | NIL |
| 10 | Shilvant Singh -- Clerical Staff | Metric Pass | 1,37,308 | 01/09/2024 | 47 | N.A. | NIL |

* Resigned w.e.f. 12.03.2025

- (ii) The median remuneration of employees of the Company during the Financial Year was Rs. 1,58,958/-
- (iii) In the Financial year, there the median remuneration of employees has increased by 26.49% compared to previous year.
- (iv) There were 15 permanent employees on the rolls of the Company as on March 31, 2025;
- (v) Average percentage in the salaries of employees other than the managerial personnel has increased by 176% in comparison of the last financial year. Average percentage has increased by 156% in the salaries of the managerial personnel in comparison of the last financial year.
- (vi) The remuneration of KMP is as per the recommendations of the Nomination & Remuneration Committee.
- (vii) It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other Employees.

Place: Surat
Date: 29-08-2025

For the Board of Director
Shantai Industries Limited

Sd/-
Harishbhai Fatandas Sawlani
Chairman and Managing Director
DIN: 00831848

STATEMENT OF RISK MANAGEMENT

At Shantai, we are committed to identifying, evaluating, and mitigating risks that may impact our operations, financial performance, reputation, and long-term sustainability. As a textile manufacturing company based in Surat, a hub of India's textile industry, we operate in a dynamic environment influenced by market trends, regulatory frameworks, environmental conditions, and global trade policies.

1. Risk Management Objectives:

- To safeguard shareholder value and maintain business continuity.
- To identify and mitigate risks that could adversely affect operations and profitability.
- To comply with applicable laws, regulations, and industry standards.
- To promote a culture of proactive risk awareness and preparedness.

2. Key Risks Identified:

1. **Market and Economic Risks**
 - Volatility in demand for textiles due to changing global and domestic market trends.
 - Fluctuation in raw material prices (cotton, dyes, chemicals, fabrics).
 - Competition from domestic and international textile manufacturers.
2. **Operational Risks**
 - Machinery breakdowns, production delays, or supply chain disruptions.
 - Dependency on skilled labour in Surat's textile industry.
 - Quality control and compliance with buyer specifications.
3. **Financial Risks**
 - Currency fluctuations impacting exports.
 - Credit risks from buyers and working capital constraints.
 - Rising interest rates or changes in government incentives.
4. **Regulatory and Compliance Risks**
 - Compliance with GST, labour laws, and environmental regulations.
 - Adherence to textile sector policies, including export-import norms.
5. **Environmental and Safety Risks**
 - Water consumption, effluent discharge, and chemical waste management.
 - Occupational health and safety concerns for factory workers.
 - Environmental risks due to climate change and natural disasters.
6. **Technological Risks**
 - Outdated machinery or delay in adopting advanced textile technologies.
 - Cybersecurity risks in digital operations, ERP, and supply chain systems.

3. Risk Mitigation Strategies:

- Implementing advanced ERP systems for supply chain and production management.
- Regular maintenance of machinery and investment in automation.
- Diversification of product lines and markets to reduce dependency risks.
- Establishing long-term vendor relationships to ensure raw material availability.
- Insurance coverage for assets, stock, and business interruptions.
- Strict adherence to environmental, labour, and quality compliance frameworks.
- Continuous training and upskilling programs for the workforce.
- Adoption of sustainable manufacturing practices (e.g., water recycling, energy efficiency).

4. Governance and Oversight:

The **Board of Directors** and **Risk Management Committee** oversee the company's risk management framework. The management team periodically reviews and updates the risk register, evaluates emerging risks, and ensures corrective measures are in place.

Place: Surat
Date: 29-08-2025

For the Board of Director
Shantai Industries Limited

Sd/-
Harishbhai Fatandas Sawlani
Chairman and Managing Director
DIN: 00831848

Annexure-5

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,
Shantai Industries Limited
(CIN: L46411GJ1988PLC013255)
Shop 10 2nd Floor, Agrasen Point, Nr. Agrasen Bhavan,
Citylight Road, Bharthana,
Surat, Gujarat, India, 395007

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SHANTAI INDUSTRIES LIMITED** having CIN: L46411GJ1988PLC013255 and having registered office at Shop 10 2nd Floor, Agrasen Point, Nr. Agrasen Bhavan, Citylight Road, Bharthana, Surat, Gujarat, India, 395007 (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 Sub 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, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| S. No. | Name of Director | DIN | Date of appointment in Company |
|--------|---------------------------------|----------|--------------------------------|
| 1. | VASUDEV FATANDAS SAWLANI | 00831830 | 27/07/2015 |
| 2. | HARISHBHAI FATANDAS SAWLANI | 00831848 | 27/07/2015 |
| 3. | REENA HARISH SAWLANI | 07245653 | 27/07/2015 |
| 4. | VIPULBHAI SUBHASHCHANDRA MUNSHI | 03270383 | 29/08/2024 |
| 5. | VANDANABEN SATISHBHAI DALAL | 08779138 | 26/09/2020 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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.

Place: Surat

Date: 29-08-2025

Sd/-

Name of PCS: Jitendrakumar Rewashankar Rawal

M. No.: A54651

C P No.: 20283

UDIN: A054651G001113478

PR: 2302/2022

AUDITOR'S REPORT TO THE MEMBERS

To,
The Members,
Shantai Industries Ltd.
(Formerly known as Wheel and Axle Textile Limited)

A Report on the standalone Financial Statements

We have audited the accompanying standalone financial statements of **Shantai Industries Limited** (formerly known as *Wheel and Axle Textiles Limited*) ("the Company"), which comprises the balance sheet as at **March 31, 2025**, the statement of profit and loss, statement of cash flows of the Company and the statement of changes in equity for the year ended on that date, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as 'the standalone financial statements')

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, cash flows and changes in equity for the year ended on that date.

B Basis of Opinion

We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone 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 ICAI's Code of Ethics. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our opinion.

C Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the auditors' responsibilities for the audit of the standalone financial statements section of our report, including in relation to that matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying standalone financial statements.

| The key audit matter | How the matter was addressed in our audit |
|--|---|
| <u>Export Benefits Receivable.</u> The following export benefits are receivable by the company since long : (i) IGST Refundable 8.44 lacs (ii) Duty 67.45 lacs (iii) ROSL 10.00 lacs | It may be noted that these export benefits are receivable by the company since long and even during the year under consideration, no amount has been received. The management of the company have informed us that the company will receive the said export benefits. |

D Information other than the standalone financial statements and auditors' report

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises of the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

E Responsibility of the Management and Board of Directors for the standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

F Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 skepticism throughout the audit. We also -

- Identify and assess the risks of material misstatement of the standalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 standalone 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 standalone 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 misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

G 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 in terms of sub-section (11) of section 143 of the Act, we give in **Annexure-A** a statement on the matters specified in paragraphs 3 and 4 of the
- 2 As required by section 143(3) of the Act, 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 purposes 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 standalone balance sheet, the standalone statement of profit and loss, the standalone cash flow statement and standalone statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure-B**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There has been no amount which was required to be transferred to the Investor Education and Protection Fund by the Company during the year.
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person or entities including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The Board of Directors of the Company has not paid or proposed any dividend either interim or final in the current previous year.
- (vi) The company has not maintained its books of account in an accounting software that has a feature of recording audit trail (edit log) and preserving such audit trail as required under Rule 3(1) of the Companies (Accounts)Rule, 2014.

However, in our opinion, the company has, prima facie, maintained books of account that present a true and fair view of the state of affairs of the Company, as required under Section 128(1) of the Companies Act, 2013 for the financial year 2024-25.

As per our report of even date
For DSI & Co.
Chartered Accountants ICAI
FRN 127226W

Sd/-
Eric Kapadia
Partner
Membership No. 136712
UDIN:25136712BMJIPU4843

Place : Surat
 Date : 30-05-2025

Annexure-A TO THE INDEPENDENT AUDITOR'S REPORT

Auditor's Report to the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act.

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Shantai Industries Limited** (*formerly known as Wheel and Axle Textiles Limited*) of even date)

In terms of the information and explanations sought by us and given by the company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that : -

1 In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- (a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipments.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of property, plant and equipments and right-of-use of assets so as to cover all assets, once every two years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, the management has physically verified the property, plant and equipments and no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanation given to us and the records examined by us, since the company is not having any immovable properties as at the balance sheet date, reporting under Clause 3(i)(c) of the Order is not applicable to the company.
- (d) The company has not revalued any of its Property, Plant and Equipments (including right-of-use assets) or Intangible Assets during the year.
- (e) According to the information and explanation given to us, the company is not holding any Benami Property and hence no proceedings are initiated or are pending against the company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

2 In respect of its inventories and working capital

- (a) The physical verification of the inventory has been conducted at reasonable interval by the management and in our opinion the coverage and procedure of such verification by the Management is appropriate considering the size of the company and nature of its business and no material discrepancies were noticed on such physical verification.

3 Investments, guarantees, securities and loans

According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties which are covered in the Register to be maintained under section 189 of the Companies Act 2013.

4 Compliance of Section 185 and 186 of the Companies Act, 2013

In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 185 and 186 of the Act, in respect of grant of loans, whereas, it has not made any investments or granted any guarantees or securities during the year.

5 Public Deposits:

The company has neither accepted any deposits from public nor accepted any amounts which are deemed to be deposits within the meaning of section 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the reporting under clause 3(v) of the order is not applicable to the company.

6 Cost Records:

According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of the activities carried out by the company. Therefore, the provisions of clause 3(vi) of the Order is not applicable to the Company.

7 Statutory Dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Income Tax, and other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanation given to us, there were no undisputed amounts payable in respect of statutory dues which were outstanding as at March 31, 2025 for a period of more than six months from the date they became payable .

- (b) There was no amount of statutory dues as referred to in sub-clause (a), which have not been deposited on account of any disputes as at the year end.

8 Surrender or disclosure of transactions and income not recorded in the books of accounts:

In our opinion and according to information and explanations given to us, the company has not surrendered or disclosed any income or transactions which are not recorded in the books of account, during the year, in the tax assessments under the Income Tax Act, 1961.

9 Repayment of financial dues:

During the year under consideration, the company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders. Accordingly, the reporting under clause 3(ix) of the order are not applicable to the company.

10 Utilization of fund raised by way of Initial Public Offer, Preferential allotment or Private placement, etc.:

During the year under consideration, the company does not have raised any money by way of initial public offer (IPO) or further public offer (including debt instruments) and term loans. Accordingly, the reporting under clause 3(x) of the order are not applicable to the company.

11 Frauds and whistle-blower complaints

- (a) In our opinion and according to the information and explanations given to us, no fraud by the Company or any fraud 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 under consideration.

- (c) In our opinion and according to the information and explanations given to us, no whistle-blower complaints have been received by the company during the year.

12 Compliance of Nidhi Company:

The company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the reporting under clause 3(xii) of the Order is not applicable to the company.

13 Transactions with the related parties:

In our opinion and according to the information and explanations given to us, the company is in compliance with Section 177 and 188 of the Companies Act where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the notes to financial statements as required by the applicable Accounting Standards.

14 Internal Audit System

- (a) The company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the company issued till the date of the audit report, for the period under audit have been considered by us.

15 Non - Cash Transactions:

In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with the directors or the persons connected with its directors, as provided in Section 192 of the Companies Act, 2013. Accordingly, the reporting under clause 3(xv) of the order are not applicable to the company.

16 Registration u/s. 45 IA of Reserve Bank of India Act, 1934:

- (a) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi)(a) of the order are not applicable to the company.
- (b) In our opinion and according to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly, the reporting under clause 3(xvi)(b) of the order are not applicable.
- (c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and accordingly, the reporting under clause 3(xvi)(c) of the order are not applicable.
- (d) In our opinion and according to the information and explanations given to us, the Group does not have any Core Investment Company (CIC) and accordingly, the reporting under clause 3(xvi)(d) of the order are not applicable.

17 Cash Losses:

According to the information and explanation given to us and the records examined by us, the company has not incurred any cash losses in the current financial year whereas in the immediately preceding financial year, the company has incurred cash losses of Rs. 5.80 lacs.

18 Issues, Observations, etc. raised by outgoing auditors:

There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

19 Material Uncertainty:

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 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.

20 Corporate Social Responsibility:

- (a) In our opinion and according to the information and explanations given to us, the company is not covered by the criteria specified under section 135. Hence, the company is not required to comply with second proviso to sub-section (5) of section 135 of the said Act.
- (b) In our opinion and according to the information and explanations given to us, the company is not covered by the criteria specified under section 135. Hence, the company is not required to comply with sub-section (6) of section 135 of the said Act.

21 Qualification, adverse remark in CARO of the companies included in consolidated financial statement:

In our opinion, clause 3(xxi) of the Order is not applicable on standalone Financial Statement. Hence, we are not required to express our opinion as required in this clause.

As per our report of even date
For DSI & Co.
Chartered Accountants ICAI
FRN 127226W

Sd/-
Eric Kapadia
Partner
Membership No. 136712
UDIN:25136712BMJIPU4843

Place : Surat
 Date : 30-05-2025

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 2(F) under 'Report on other legal and regulatory requirements' section of our report to the members of **Shantai Industries Limited** (*formerly known as Wheel and Axle Textiles Limited*), of even date)

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Shantai Industries Limited** (*formerly known as Wheel and Axle Textiles Limited*) ("the Company"), as at March 31, 2025, in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

Management's responsibility 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' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 in 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 control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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 of 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.

Opinion

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

As per our report of even date
For DSI & Co.
Chartered Accountants ICAI
FRN 127226W

Sd/-
Eric Kapadia
Partner
Membership No. 136712
UDIN:25136712BMJIPU4843

Place : Surat
Date : 30-05-2025

Statement of Assets and Liabilities as at March 31, 2025

(All amounts are in INR in Lacs unless otherwise stated)

| | Note No. | As at 31-03-2025 (Amount in ₹) | As at 31-03-2024 (Amount in ₹) |
|---|-------------|--------------------------------------|--------------------------------------|
| I ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Property, Plants and Equipments | 1 | 0.845 | 0.706 |
| (b) Capital work-in-process | | - | - |
| (c) Investment Properties | | - | - |
| (d) Goodwill | | - | - |
| (e) Other Intangible Assets | | 0.090 | 0.090 |
| (f) Intangible assets under development | | - | - |
| (g) Biological Assets other than Bearer Plants | | - | - |
| (h) Financial Assets | | | |
| (i) Investments | | | |
| (ii) Trade Receivables | | | |
| (iii) Loans | | | |
| (i) Deferred Tax Assets (net) | 2 | 3.532 | 3.532 |
| (j) Other non-current assets | | - | - |
| SUB TOTAL | | 4.467 | 4.328 |
| 2 Current Assets | | | |
| (a) Inventories | 3 | 26.123 | 438.557 |
| (b) Financial Assets | | | |
| (i) Investments | | - | - |
| (ii) Trade and Other Receivables | 4 | 1,218.807 | 141.885 |
| (iii) Cash and Cash Equivalents | 5 | 54.593 | 52.541 |
| (iv) Bank Balances Other than Cash and Cash Equivalents | | - | - |
| (v) Loans | 6 | 79.271 | - |
| (c) Other Current assets | 7 | 94.413 | 114.914 |
| SUB TOTAL | | 1,473.206 | 747.896 |
| Non-Current Assets Classified as Held for Sale | | - | - |
| TOTAL ASSETS | | 1,477.673 | 752.225 |
| II EQUITY AND LIABILITIES | | | |
| A EQUITY | | | |
| (a) Equity Share Capital | 8 | 150.000 | 150.000 |
| (b) Other Equity | 9 | 616.524 | 585.894 |
| TOTAL EQUITY | | 766.524 | 735.894 |
| B LIABILITIES | | | |
| 1 Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 10 | 290.000 | - |
| (ii) Trade Payables | | - | - |
| (iii) Others | | - | - |
| (b) Provisions | 11 | 14.275 | 13.592 |
| (c) Deferred tax liabilities (Net) | | - | - |
| (d) Other Non Current liabilities | | - | - |
| SUB TOTAL | | 304.275 | 13.592 |
| 2 Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | | - | - |
| (ii) Trade Payables | 12 | - | - |
| - Total outstanding dues of micro enterprises and small enterprises; | | - | - |
| - Total outstanding dues of creditors other than micro enterprise and small enterprises | | 363.103 | 0.056 |
| (b) Other Current liabilities | 13 | 34.438 | 0.237 |
| (c) Provisions | 14 | 9.332 | 2.445 |
| (d) Deferred tax liabilities (Net) | | - | - |
| SUB TOTAL | | 406.873 | 2.738 |
| TOTAL EQUITY AND LIABILITY | | 1,477.673 | 752.225 |
| Significant accounting policies and accompanying notes to the financial statements | 20-21 | | |

For & on behalf of the Board
Shantai Industries Ltd.

As per our report of even date
For D S I & Co
Chartered Accountants ICAI
FRN : 127226W

Sd/-
Harish Sawlani
Chairman & MD
DIN : 00831848

Sd/-
Vasudev Sawlani
WTD
DIN: 00831830

Sd/-
Shailesh Damor
CFO

Sd/-
Shipra Mehta
Company Secretary

Sd/-
Eric Kapadia
Partner
Membership No. 136712
UDIN : 25136712BMJIPU4843

Place : Surat
Date : 30-05-2025

Place : Surat
Date : 30-05-2025

Standalone Statement of Profit & Loss for the year ended March 31, 2025

(All amounts are in INR in Lacs unless otherwise stated)

| | Notes | For the year ended on 31-03-2025 Amount in ₹ | For the year ended on 31-03-2024 Amount in ₹ |
|--|-------|---|---|
| I INCOME | | | |
| Revenue from Operations | 15 | 2,024.965 | 129.192 |
| Other Income | 16 | 8.595 | 2.747 |
| Total | | 2,033.559 | 131.939 |
| II EXPENDITURE | | | |
| Purchase of Goods | | 1,526.289 | 24.414 |
| Changes in Inventories of Finished Goods Work in Progress and Stock in Trade | 17 | 412.434 | 92.592 |
| Employee Benefit Expenses | 18 | 33.577 | 7.482 |
| Finance Costs | 19 | 0.032 | 0.000 |
| Depreciation & Amortization Expenses | 20 | 0.140 | 0.108 |
| Other Expenses | 21 | 28.537 | 13.650 |
| Total | | 2,001.010 | 138.247 |
| III Profit before Exceptional and Extraordinary Items and Tax | | 32.550 | (6.308) |
| IV Exceptional Items | | - | - |
| V Extraordinary Items | | 0.039 | 0.001 |
| VI Profit/(Loss) before tax | | 32.511 | (6.309) |
| VII Tax Expenses : | | | |
| - Current Tax | | 1.881 | - |
| - Deferred Tax | | - | - |
| VIII Profit/(Loss) for the period from Continuing Operations | | 30.630 | (6.309) |
| IX Profit / (Loss) from discontinuing operations | | - | - |
| X Tax expense of discounting operations | | - | - |
| XI Profit / (Loss) after Tax from Discontinuing Operations | | - | - |
| XII Profit / (Loss) for the period | | 30.630 | (6.309) |
| XIV Other Comprehensive Income: | | | |
| (i) Items that will not be reclassified to Statement of Profit and Loss | | - | - |
| (ii) Income Tax relating to items that will not be reclassified to Statement of Profit and Loss | | - | - |
| (iii) Items that will be reclassified to Statement of Profit and Loss | | - | - |
| (iv) Income Tax relating to items that will be reclassified to Statement of Profit and Loss | | - | - |
| Total Comprehensive Income for the year | | 30.630 | (6.309) |
| XV Paid-up Equity Share Capital (F.V. of Rs. 10 each) | | 150.000 | 150.000 |
| XVI Earning per Share (of ₹ 10 each) | | | |
| - Basic | | 2.042 | (0.421) |
| - Dilluted | | 2.042 | (0.421) |

Significant accounting policies and accompanying notes to the financial statements 20-21

For & on behalf of the Board
Shantai Industries Ltd.

For D S I & Co
Chartered Accountants
ICAI FRN : 127226W

Sd/-
Harish Sawlani
Chairman & MD
DIN : 00831848

Sd/-
Vasudev Sawlani
WTD
DIN: 00831830

Sd/-
Shailesh Damor
CFO

Sd/-
Shipra Mehta
Company Secretary

Sd/-
Eric Kapadia
Partner
Membership No. 136712
UDIN :25136712BMJIPU4843

Place : Surat
Date : 30-05-2025

Place : Surat
Date : 30-05-2025

Standalone Statement of Cash Flow for the year ended March 31, 2025

(All amounts are in INR in Lacs unless otherwise stated)

| Particulars | For the Year Ended On 31-03-2025 | For the Year Ended On 31-03-2024 |
|---|-------------------------------------|-------------------------------------|
| A Cash Flow from Operating Activities | | |
| Net Profit before tax and extraordinary items | 32.511 | (6.309) |
| Add: <u>Adjustments for :</u> | | |
| Depreciation & Amortisation Expenses | 0.140 | 0.108 |
| Gratuity Provision | 0.683 | 0.398 |
| Finance Cost | 0.032 | 0.000 |
| | 0.855 | 0.506 |
| Less: <u>Adjustments for :</u> | | |
| Interest on Fixed Deposits | 7.987 | 2.747 |
| Operating P/(L) before working capital changes | 25.379 | (8.550) |
| Add: <u>Adjustments for :</u> | | |
| Increase/(Decrease) in Trade Receivables | (1,076.922) | (62.871) |
| Increase/(Decrease) in Trade Payables | 363.048 | (20.816) |
| | (713.874) | (83.687) |
| Less: <u>Adjustments for :</u> | | |
| Increase/(Decrease) in Inventories | (412.434) | (92.592) |
| Increase/(Decrease) in Short Term Loans | 79.271 | |
| Increase/(Decrease) in Other Current Assets | (20.501) | (3.563) |
| Increase/(Decrease) in Other Current Liabilities | (34.200) | 0.003 |
| Increase/(Decrease) in Short Term Provisions | (6.887) | (0.405) |
| | (394.752) | (96.557) |
| Cash generated from/(used in) Operating Activities | (293.744) | 4.320 |
| Less: Provision for Tax | 1.881 | - |
| | (295.624) | 4.320 |
| Less: Prior Year Expenses | - | - |
| Net Cash generated from/(used in) Operating Activities (A) | (295.624) | 4.320 |
| B Cash Flow from Investing Activities | | |
| Net Cash generated from/(used in) Investing Activities (B) | (0.279) | - |
| C Cash Flow from Financing Activities | | |
| Add: <u>Adjustments for :</u> | | |
| Increase in Borrowings | 290.000 | - |
| Interest Income | 7.987 | 2.747 |
| | 297.987 | 2.747 |
| Less: <u>Adjustments for :</u> | | |
| Interest Expense | 0.032 | 0.000 |
| Net Cash generated from/(used in) Financing Activities (C) | 297.955 | 2.747 |
| Net Incr./(Decr.) in cash and cash equivalents (A+B+C) | 2.052 | 7.068 |
| Cash and cash equivalents at the beginning of the year | 52.538 | 45.470 |
| Cash and cash equivalents at the end of the year | 54.590 | 52.538 |
| <u>Components of the Cash and Cash Equivalents</u> | | |
| - Cash on Hand | 2.723 | 1.086 |
| - with Bank - in Current Accounts | 2.990 | 5.461 |
| - with Bank - in Fixed Deposits Accounts | 48.879 | 45.994 |
| | 54.593 | 52.541 |

For & on behalf of the Board
Shantai Industries Ltd.

For D S I & Co
Chartered Accountants
ICAI FRN : 127226W

Sd/-
Harish Sawlani
Chairman & MD
DIN : 00831848

Sd/-
Vasudev Sawlani
WTD
DIN: 00831830

Sd/-
Shailesh Damor
CFO

Sd/-
Shipra Mehta
Company Secretary

Sd/-
Eric Kapadia
Partner
Membership No. 136712
UDIN :25136712BMJIPU4843

Place : Surat
Date : 30-05-2025

Place : Surat
Date : 30-05-2025

Statement of Changes in Equity for the year ended on March 31, 2025

(All amounts are in INR in Lacs unless otherwise stated)

| | As at 31-03-2025 Amount in ₹ | As at 31-03-2024 Amount in ₹ |
|---|------------------------------------|------------------------------------|
| EQUITY SHARE CAPITAL | | |
| <u>Authorised Capital Equity Share Capital of ₹ 10 each:</u> | | |
| Opening Balance | 500.000 | 500.000 |
| Changes in Equity Share capital during the year | - | - |
| Closing Balance | <u>500.000</u> | <u>500.000</u> |
| | | |
| No. of Equity Shares of ₹ 10/- each at the end of the year | 50.000 | 50.000 |
| <u>Issued, Subscribed and Paid-up Equity Share Capital of ₹ 10 each fully paid up</u> | | |
| Opening Balance | 150.000 | 150.000 |
| Changes in Equity Share capital during the year | - | - |
| Closing Balance | <u>150.000</u> | <u>150.000</u> |
| | | |
| <u>Reconciliation of Changes in No. of Equity Shares during the Year</u> | | |
| Equity Shares of ₹ 10/- each at the beginning of the year | 15.000 | 15.000 |
| Add: Shares issued during the year | - | - |
| Equity Shares of ₹ 10/- each at the end of the year | <u>15.000</u> | <u>15.000</u> |
| | | |
| OTHER EQUITY | | |
| Profit & Loss Account | 194.923 | 164.293 |
| Statutory Reserve | 400.942 | 400.942 |
| Share Premium | 20.659 | 20.659 |
| Total | <u>616.524</u> | <u>585.894</u> |
| | | |
| <u>Profit and Loss Account</u> | | |
| Opening Balance | 164.293 | 170.601 |
| Add : Profit for the year | 30.630 | (6.309) |
| | 194.923 | 164.293 |
| Less : Transferred to Statutory Reserve | - | - |
| <i>Sub Total</i> | <u>194.923</u> | 164.293 |
| | | |
| <u>Statutory Reserve</u> | | |
| Opening Balance | 400.942 | 400.942 |
| Add : Transferred from Profit and Loss Account | - | - |
| <i>Sub Total</i> | <u>400.942</u> | 400.942 |
| | | |
| <u>Share Premium</u> | | |
| Opening Balance | 20.659 | 20.659 |
| Add : Additions during the year | - | - |
| <i>Sub Total</i> | <u>20.659</u> | 20.659 |
| Total | <u>616.524</u> | <u>585.894</u> |

For & on behalf of the Board
Shantai Industries Ltd.

For D S I & Co
Chartered Accountants
ICAI FRN : 127226W

Sd/-
Harish Sawlani
Chairman & MD

Sd/-
Vasudev Sawlani
WTD

Sd/-
Shailesh Damor
CFO

Sd/-
Shipra Mehta
Company Secretary

Sd/-
Eric Kapadia
Partner
Membership No. 136712
UDIN :25136712BMJIPU4843

Place : Surat
Date : 30-05-2025

Place : Surat
Date : 30-05-2025

1 PROPERTY, PLANT AND EQUIPMENTS & INTANGIBLE ASSETS*(All amounts are in INR in Lacs unless otherwise stated)*

| Sr. No. | Particulars | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | | |
|-----------------------|-------------------------------|---------------------|---------------------------------|----------------------------------|---------------------|---------------------|-----------------|----------------------------------|---------------------|---------------------|---------------------|
| | | As on 01-04-2024 | Additions during the year | Deductions during the year | As on 31-03-2025 | As on 01-04-2024 | For the year | Deductions during the year | As on 31-03-2025 | As on 31-03-2025 | As on 31-03-2024 |
| [A] Tangible Assets | | | | | | | | | | | |
| 1 | Furniture and Fixtures | 0.256 | - | - | 0.256 | 0.224 | 0.009 | - | 0.233 | 0.022 | 0.032 |
| 2 | Computer | 5.571 | 0.279 | - | 5.850 | 5.296 | 0.055 | - | 5.350 | 0.499 | 0.275 |
| 3 | Machinery & Office Equipments | 1.835 | - | - | 1.835 | 1.435 | 0.076 | - | 1.512 | 0.323 | 0.399 |
| | Sub Total | 7.662 | 0.279 | - | 7.940 | 6.956 | 0.140 | - | 7.096 | 0.845 | 0.706 |
| [B] Intangible Assets | | | | | | | | | | | |
| 1 | Software Purchase | 1.807 | - | - | 1.807 | 1.717 | - | - | 1.717 | 0.090 | 0.090 |
| | Sub Total | 1.807 | - | - | 1.807 | 1.717 | - | - | 1.717 | 0.090 | 0.090 |
| | Total | 9.469 | 0.279 | - | 9.748 | 8.673 | 0.140 | - | 8.813 | 0.935 | 0.796 |
| | Previous Year's figures | 9.469 | - | - | 9.469 | 8.565 | 0.108 | - | 8.673 | 0.796 | - |

1.1 Depreciation on Property, Plant and Equipmenrs and Intangible Assets is calculated on Written Down Value Method. The depreciation for the respective assets has been computed on the basis of their useful life as specified in Schedule II to the Companies Act, 2013, in accordance with the information and explantions as provided to us by the management of the company.

1.2 Property, Plant and Equipments and Intangible assets are stated at cost of acquisition less depreciation.

1.3 The carrying amounts of the company's assets are reviewed at each balance sheet date. If any indication of impairment exists, an impairment loss is recognized to the extent of the excess of the carrying amount over the estimated recoverable amount.

Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts are in INR in Lacs unless otherwise stated)

| | As at 31-03-2025 Amount in ₹ | As at 31-03-2024 Amount in ₹ |
|--|------------------------------------|------------------------------------|
|--|------------------------------------|------------------------------------|

2 DEFERRED TAX ASSETS

Deferred Tax Assets

Opening Balance

Add : Provision/(Write Off) during the year

| | | |
|--------------|--------------|--------------|
| | 3.532 | 3.532 |
| | - | - |
| Total | 3.532 | 3.532 |

3 INVENTORIES

(As taken valued and certified by the management)

Finished Goods

| | | |
|--------------|---------------|----------------|
| | 26.123 | 438.557 |
| Total | 26.123 | 438.557 |

3.1 All inventories are valued at cost. Inventories are taken, valued and certified by the management.

4 TRADE RECEIVABLES

(Unsecured and considered good)

- Trade receivables outstanding for a period exceeding six months from the date they are due for payment
- Others

| | | |
|--------------|------------------|----------------|
| | 24.026 | - |
| | 1,194.780 | 141.885 |
| Total | 1,218.807 | 141.885 |

Trade Receivable Ageing Schedule

| Sr. No. | Particulars | Outstanding for following periods from due date of payment | | | | | Total As On 31-03-2025 | Total As On 31-03-2024 |
|------------|---|--|-----------------------------|-----------------------|-----------------------|-----------------------------|------------------------------|------------------------------|
| | | For Less Than 6 Months | For 6 Months - 1 Year | For 1 - 2 Years | For 2 - 3 Years | For More than 3 Years | | |
| (i) | <u>Undisputed & Unsecured - Considered good</u> | | | | | | | |
| | - As on 31-03-2025 | 1,194.78 | - | 24.03 | - | - | 1,218.807 | - |
| | - As on 31-03-2024 | 141.88 | - | | - | - | - | 141.885 |
| (ii) | <u>Undisputed & Unsecured - Considered Doubtful</u> | | | | | | | |
| | - As on 31-03-2025 | - | - | - | - | - | - | - |
| | - As on 31-03-2024 | - | - | - | - | - | - | - |
| (iii) | <u>Disputed & Unsecured - Considered good</u> | | | | | | | |
| | - As on 31-03-2025 | - | - | - | - | - | - | - |
| | - As on 31-03-2024 | - | - | - | - | - | - | - |
| (iv) | <u>Disputed & Unsecured - Considered Doubtful</u> | | | | | | | |
| | - As on 31-03-2025 | - | - | - | - | - | - | - |
| | - As on 31-03-2024 | - | - | - | - | - | - | - |
| | Total | | | | | | 1,218.807 | 141.885 |

Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts are in INR in Lacs unless otherwise stated)

| | As at 31-03-2025 Amount in ₹ | As at 31-03-2024 Amount in ₹ |
|--|---|---|
| 5 CASH & CASH EQUIVALENTS | | |
| Cash on hand | 2.723 | 1.086 |
| <u>Balance with Bank</u> | | |
| - In Current Accounts | 2.990 | 5.461 |
| - In Fixed Deposit Accounts | 48.879 | 45.994 |
| | 51.869 | 51.455 |
| Total | 54.593 | 52.541 |
| 6 LOANS | | |
| Loans & Advances | 79.271 | - |
| Total | 79.271 | - |
| 7 OTHER CURRENT ASSETS | | |
| (a) Advance Tax & TDS/TCS Receivable | 6.036 | 5.470 |
| (b) Balance with GST | 0.986 | 23.553 |
| (c) IGST Refundable | 8.442 | 8.442 |
| (d) Drawback on Export Receivable | 67.447 | 67.447 |
| (e) ROSL on Export Rceivable | 10.002 | 10.002 |
| (f) Rent Deposits | 1.500 | - |
| Total | 94.413 | 114.914 |
| 8 SHARE CAPITAL | | |
| <u>Authorised Capital:</u> | | |
| 50,00,000 (Previous Year 50,00,000) Equity Shares of ₹ 10/- each | 500.000 | 500.000 |
| Total | 500.000 | 500.000 |
| <u>Issued, Subscribed and Paid-up</u> | | |
| 15,00,000 (Previous Year : 15,00,000) Equity Shares of ₹ 10/- each fully paid up | 150.000 | 150.000 |
| Total | 150.000 | 150.000 |
| 8.1 Reconciliation of shares outstanding at the beginning and at the end of the year. | No. of Shares | No. of Shares |
| Equity Shares of ₹ 10/- each at the beginning of the year | 15.000 | 15.000 |
| Add : Shares issued during the year | - | |
| Equity Shares of ₹ 10/- each at the end of the year | 15.000 | 15.000 |
| 8.2 Terms/ rights attached to equity shares | | |
| The company has only one class of equity shares having a par value of ₹ 10/- per share. Each share holder of equity share is entitled to one vote per share. | | |

In the event of the liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts are in INR in Lacs unless otherwise stated)

As at
31-03-2025
Amount in ₹

As at
31-03-2024
Amount in ₹

8.3 Details of shareholders holding more than 5% shares in the company

| | 31-03-2025 | | 31-03-2024 | |
|--|----------------------|---------------------|----------------------|---------------------|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| <u>Equity Shares of ₹ 10/- each fully paid</u> | | | | |
| 1 Disha M Sawlani | 1,32,000 | 8.80% | 1,32,000 | 0.088 |
| 2 Harish F. Sawlani | 2,40,000 | 16.00% | 2,40,000 | 0.160 |
| 3 Murli F. Sawlani | 2,40,000 | 16.00% | 2,40,000 | 0.160 |
| 4 Priya V. Sawlani | - | 0.00% | 1,32,000 | 0.088 |
| 5 Reena H. Sawlani | 1,32,000 | 8.80% | 1,32,000 | 0.088 |
| 6 Vasudev F. Sawlani | 3,72,000 | 24.80% | 2,40,000 | 0.160 |
| 7 Others holding 5% or less shares | 3,84,000 | 25.60% | 3,84,000 | 0.256 |
| Total | 15,00,000 | 100.00% | 15,00,000 | 1.000 |

8.4 Details of shareholding of Promoters in the company

| Sr. No. | Name of the Promotor | 31-03-2025 | | 31-03-2024 | | % Change during the Year |
|----------------|-----------------------------|----------------------|---------------------|----------------------|---------------------|---------------------------------|
| | | No. of Shares | % of holding | No. of Shares | % of holding | |
| 1 | Disha M Sawlani | 1,32,000 | 8.80% | 1,32,000 | 0.088 | - |
| 2 | Harish F. Sawlani | 2,40,000 | 16.00% | 2,40,000 | 0.160 | - |
| 3 | Murli F. Sawlani | 2,40,000 | 16.00% | 2,40,000 | 0.160 | - |
| 4 | Priya V. Sawlani | - | 0.00% | 1,32,000 | 0.088 | (0.088) |
| 5 | Reena H. Sawlani | 1,32,000 | 8.80% | 1,32,000 | 0.088 | - |
| 6 | Vasudev F. Sawlani | 3,72,000 | 24.80% | 2,40,000 | 0.160 | 0.088 |
| | Total | 11,16,000 | 74.40% | 11,16,000 | 0.744 | |

8.5 No shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment.

8.6 During the past 5 years, the company has not allotted any shares pursuant to contracts, without payment being received in cash.

8.7 During the past 5 years, the company has not allotted any bonus shares.

8.8 During the past 5 years, the company has not bought back any shares.

8.9 During the past 5 years, no shares have been forfeited by the company.

9 OTHER EQUITY

(a) Surplus/ (deficit) in the statement of profit and loss (Retained Earnings)

| | | |
|-------------------------------|----------------|---------|
| Opening Balance | 164.293 | 170.601 |
| Add : Profit for the year | 30.630 | (6.309) |
| | 194.923 | 164.293 |
| Less : Deduction for the year | - | - |
| Sub Total | 194.923 | 164.293 |

(b) General Reserve

| | | |
|--|----------------|---------|
| Opening Balance | 400.942 | 400.942 |
| Add : Transferred from Profit and Loss Account | - | - |
| Sub Total | 400.942 | 400.942 |

(c) Capital Reserve

| | | |
|---------------------------------|----------------|---------|
| Opening Balance | 20.659 | 20.659 |
| Add : Additions during the year | - | - |
| Sub Total | 20.659 | 20.659 |
| Total | 616.524 | 585.894 |

Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts are in INR in Lacs unless otherwise stated)

| | As at 31-03-2025 Amount in ₹ | As at 31-03-2024 Amount in ₹ |
|--------------------------------------|------------------------------------|------------------------------------|
| 10 LONG TERM BORROWINGS | | |
| Unsecured Loan from Corporate Entity | 290.000 | - |
| Total | 290.000 | - |

10.1 The closing balances of unsecured loan is subject to confirmation however, the Directors have certified the respective balances. The company has not provided for interest on unsecured loan.

11 LONG TERM PROVISIONS

| | | |
|--------------------------------------|---------------|---------------|
| Gratuity Provision | | |
| Opening Balance | 13.592 | 13.194 |
| Add : Provision made during the Year | 0.683 | 0.398 |
| Total | 14.275 | 13.592 |

11.1 The Company's liability towards gratuity to its employees is provided on the basis of an actuarial valuation basis. Actuarial gains and losses are recognised in full in the statement of profit and loss in the year in which they occur. The company has made provision on the basis of Gratuity Act.

12 TRADE PAYABLES

| | | |
|---------------------------------------|----------------|--------------|
| Sundry Creditors | | |
| - Micro, Small and Medium Enterprises | - | - |
| - Others | 363.103 | 0.056 |
| Total | 363.103 | 0.056 |

Trade Payable Ageing Schedule

| Sr. No. | Particulars | Outstanding for following periods from due date of | | | | Total As On 31-03-2025 | Total As On 31-03-2024 |
|------------------------------------|-------------|--|-----------------------|-----------------------|-----------------------------|------------------------------|------------------------------|
| | | For Less Than 1 Year | For 1 - 2 Years | For 2 - 3 Years | For More than 3 Years | | |
| (i) <u>MSME</u> | | | | | | | |
| - As on 31-03-2025 | | - | - | - | - | - | - |
| - As on 31-03-2024 | | - | - | - | - | - | - |
| (ii) <u>Others</u> | | | | | | | |
| - As on 31-03-2025 | | 363.048 | 0.056 | - | - | 363.103 | - |
| - As on 31-03-2024 | | - | - | - | 0.056 | - | 0.056 |
| | | | | | Sub Total | 363.103 | 0.056 |
| (iii) <u>Disputed Dues - MSME</u> | | | | | | | |
| - As on 31-03-2025 | | - | - | - | - | - | - |
| - As on 31-03-2024 | | - | - | - | - | - | - |
| (iv) <u>Disputed Dues - Others</u> | | | | | | | |
| - As on 31-03-2025 | | - | - | - | - | - | - |
| - As on 31-03-2024 | | - | - | - | - | - | - |
| | | | | | Sub Total | - | - |
| | | | | | Total | 363.103 | 0.056 |

12.1 The above information has been provided as available with the company to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under the MSMED Act.

12.2 Trade Payables are non interest bearing and are normally settled within the terms. There are no other amounts paid/payable towards interest/principal under the MSMED, Act.

Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts are in INR in Lacs unless otherwise stated)

| | As at 31-03-2025 Amount in ₹ | As at 31-03-2024 Amount in ₹ |
|---|---|---|
| 13 OTHER CURRENT LIABILITIES | | |
| Unclaimed Dividend Ac | 0.237 | 0.237 |
| TDS Payable | 0.447 | - |
| GST Payable (RCM) | 0.248 | - |
| Balance with Bank (Due to reconciliation) | 12.203 | - |
| Advance from Customers | 21.301 | - |
| Total | 34.438 | 0.237 |
| 14 SHORT TERM PROVISIONS | | |
| For Expenses | 7.452 | 2.445 |
| For Income Tax | 1.881 | - |
| Total | 9.332 | 2.445 |

Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts are in INR in Lacs unless otherwise stated)

| | For the year ended on 31-03-2025 Amount in ` | For the year ended on 31-03-2024 Amount in ` |
|--|---|---|
| 15 REVENUE FROM OPERATIONS | | |
| <u>Sale of Products</u> | | |
| - Local Sales of Finished Cloths | 2,024.965 | 129.192 |
| Total | 2,024.965 | 129.192 |
| 16 OTHER INCOME | | |
| Interest on Bank FD | 3.230 | 2.738 |
| Interest Income on IT Refund | 0.011 | 0.009 |
| Dividend Income | 0.055 | - |
| Short Term Capital Gain on Sale of Share | 0.552 | - |
| Interest Income on Loans | 4.745 | - |
| Total | 8.595 | 2.747 |
| 17 CHANGES IN INVENTORIES OF FINISHED GOODS WORK IN PROGRESS AND STOCK IN TRADE | | |
| <u>Finished Goods</u> | | |
| Opening Stock | 438.557 | 531.149 |
| Less : Closing Stock | 26.123 | 438.557 |
| Total | 412.434 | 92.592 |
| 18 EMPLOYEE BENEFIT EXPENSES | | |
| Salary to Staff | 30.194 | 7.084 |
| Director Remuneration | 2.700 | - |
| Provisions for Gratuity Expenses | 0.683 | 0.398 |
| Total | 33.577 | 7.482 |
| 19 FINANCE COST | | |
| Bank Charges | 0.032 | 0.000 |
| Total | 0.032 | 0.000 |
| 20 DEPRECIATION AND AMORTISATION EXPENSES | | |
| Depreciation on Property, Plant & Equipments | 0.140 | 0.108 |
| Total | 0.140 | 0.108 |

Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts are in INR in Lacs unless otherwise stated)

| | For the year ended on 31-03-2025 Amount in ` | For the year ended on 31-03-2024 Amount in ` |
|--|---|---|
| 21 OTHER EXPENSES | | |
| (a) <u>Operating Expenses</u> | | |
| Job Work Expenses | 8.620 | - |
| Loading/Unloaing Expenses | 1.637 | 0.237 |
| Transportation Expenses | 0.623 | - |
| <i>Sub Total</i> | 10.880 | 0.237 |
| (b) <u>Sales and Administrative Expenses</u> | | |
| Advertisement & Business Promotion Expenses | 0.349 | 0.267 |
| Auditor's Remuneration | 1.800 | 1.800 |
| Director Sitting Fees | 1.200 | 1.200 |
| Legal & Professional Charges | 7.872 | 4.961 |
| Listing Fees | 3.250 | 3.250 |
| Office & General Expenses | 0.824 | 0.644 |
| Printing & Stationery Expenses | 0.257 | 0.068 |
| Rates & Taxes | 0.025 | 0.024 |
| Rent Expenses | 2.080 | 1.200 |
| <i>Sub Total</i> | 17.657 | 13.413 |
| Total | 28.537 | 13.650 |

Significant accounting policies and accompanying notes to the financial statements**22 Corporate Information**

Shantai Industries Ltd. (formerly known as Wheel and Axle Textiles Limited) ('the Company') is a public limited company and incorporated under the provisions of the Companies Act, 1956 having CIN: L74110GJ1988PLC013255 and having its registered office at 10-12, 2nd Floor, Agrasen Point, Near Agrasen Bhavan, City Light, Surat 395 007. The company is engaged in the business of trading of textile item.

23 Significant accounting policies and accompanying notes to the financial statements**(a) Basis of Accounting**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('the Act'), read with companies (Indian Accounting Standards (Ind AS)) Rules, 2015 and the circulars and guidelines issued by the RBI from time to time to the extent they have an impact on the financial statements and current practices prevailing in India. The financial statements have been prepared on an accrual basis and under the historical cost convention. The financial statements are presented in Indian Rupees (INR) and all values are recorded to the nearest rupees (INR), except otherwise indicated.

(b) Use of Estimates

The preparation of the financial statement in conformity with Indian AS requires the management to make judgments, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustments to the carrying amounts of assets or liabilities in future periods.

(c) Prior period Items

Previous years adjustments are on account of payment of taxes, duties, interest etc., of earlier years due to short / excess provision thereof etc. which has been shown under the head 'Extraordinary Items.'

(d) Recognition of Income and Expenditure

All incomes and Expenditure are accounted on accrual basis. Sales, Purchases and all expenses are accounted for exclusive of tax, duties, gst, cess, etc. collected on behalf of the government and are net of goods returned, discount, rate difference, claim, etc. and are inclusive of other direct expenses on purchases.

(e) Government Grants

During the year under consideration the company has not received any government grants.

(f) Retirement benefits to Employees

Contribution to employee's benefit funds remitted to statutory authority, if any is charged to revenue. The Company's liability towards gratuity to its employees is provided on the basis of an actuarial valuation basis. Actuarial gains and losses are recognised in full in the statement of profit and loss in the year in which they occur. The company has made provision on the basis of Gratuity Act.

(g) Borrowing Cost

The total borrowing cost on the acquisition of fixed assets if pertaining to the period up to the date on which the said fixed assets have been put-to-use, has been capitalized in the respective fixed assets and the cost for the period after the said fixed assets have been put-to-use has been debited to the Profit and Loss Account.

(h) Segment Reporting

The company has only one business segment and geographical segment. Therefore there is no separate reportable segment as per AS-17.

(i) Dues to small scale and ancillary undertakings

According to the information and explanation provided to us, the Company has no amounts overdue under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at 31-03-2024 to the extent such parties have been identified by the management.

Significant accounting policies and accompanying notes to the financial statements**(j) Related Party Disclosure**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below.

(i) List of related parties and description of relationship

| Sr. No. | Description of relationship | Names of related parties |
|----------------|---------------------------------------|--|
| 1 | Director and Key Management Personnel | (a) Harish F. Sawlani (Chairman & Managing Director) (b) Vasudev F. Sawlani (Whole-time Director) (c) Reena H. Sawlani (Non Executive Director) (d) Vipul Munshi (Independent Director) (e) Vandanaben S. Dalal (Independent Director) (f) Omprakash V. Lakhwani (Independent Director) (g) Shailesh J. Damor (CFO) (h) Shipra Mehta (CS and Compliance Officer) (i) Komal Agarwal (CS and Compliance Officer) |
| 2 | Subsidiaries | -- None -- |
| 3 | Associated Concerns | (a) M/s. Shantai Exim Ltd. (b) M/s. Sawlani Synthetics Pvt. Ltd. (c) M/s. Shantai Technologies Ltd. (d) M/s. Shantai Realty (India) Ltd. (e) M/s. Sawlani Silk Mills (f) M/s. Shantai Developers (g) M/s. Swati International |
| 4 | Relative of Key Management Personnel | (a) Murli F. Sawlani (b) Disha M. Sawlani (c) Vishal V. Sawlani |

(ii) Transactions made during the year with the related parties.**(a) Director and Key Management Personnel**

| Sr. No. | Name | Nature of Transaction | Amount ₹ (In lacs) |
|----------------|-----------------------|---|-------------------------------|
| 1 | Harish F. Sawlani | Director Remuneration Unsecured Loan Received Unsecured Loan Repaid | 1.35 10.85 10.85 |
| 2 | Vasudev F. Sawlani | Director Remuneration Rent Expenses | 1.35 0.30 |
| 3 | Reena H. Sawlani | Director Sitting Fees | 0.40 |
| 4 | Omprakash V. Lakhwani | Director Sitting Fees Director Sitting Fees O/s Balance | 0.20 0.20 |
| 5 | Vipul Munshi | Director Sitting Fees Director Sitting Fees O/s Balance | 0.20 0.20 |
| 6 | Vandanaben S. Dalal | Director Sitting Fees Director Sitting Fees O/s Balance | 0.40 0.36 |
| 7 | CFO Shailesh J. Damor | Salary Salary Payable | 4.65 0.57 |
| 8 | CS Komal Agarwal | Salary Salary Payable | 1.70 0.52 |
| 9 | CS Shipra Mehta | Salary Salary Payable | 0.13 0.13 |

Significant accounting policies and accompanying notes to the financial statements**(b) Subsidiaries**

Since there is no subsidiaries of the company, not applicable.

(c) Associated concerns

| Sr. No. | Name | Nature of Transaction | Amount ₹ (In lacs) |
|----------------|---------------------------------|------------------------------|-------------------------------|
| 1 | M/s. Shantai Technologies Ltd | Rent Expenses | 0.48 |
| | | Rent Expense O/s Balance | 0.18 |
| 2 | M/s. Shantai Realty (India) Ltd | Rent Expenses | 0.23 |
| | | Rent Expense O/s Balance | 0.23 |

(d) Relative of Key Management Personnel

| Sr. No. | Name | Nature of Transaction | Amount ₹ (In lacs) |
|----------------|-------------------|------------------------------|-------------------------------|
| 1 | Murli F. Sawlani | Rent Expenses | 0.48 |
| | | Salary Expenses | 1.35 |
| 2 | Disha M. Sawlani | Rent Expenses | 0.60 |
| 3 | Vishal V. Sawlani | Salary Expenses | 7.20 |

(k) Taxation

Tax comprises of Current income tax and Deferred tax. Current income tax in the books is recognised by opting the provisions of section 115BAA as introduced vide Taxation Laws (Amendment) Ordinance of 2019 to the Income Tax Act, 1961.

Deferred Tax Liability/Asset is recognised as per AS-22 (Accounting for Taxes on Income) arising out of temporary timing differences. During the year under consideration, as per AS-22 "Accounting for Taxes on Income" issued by ICAI, company has recognised deferred tax assets and hence, not recognised in the books of accounts .

(l) Impairment of Assets

The carrying amounts of the company's assets are reviewed at each balance sheet date. If any indication of impairment exists, an impairment loss is recognized to the extent of the excess of the carrying amount over the estimated recoverable amount.

(m) Provisions, Contingent Liabilities and Contingent Assets

A provision arising out of a present obligation, as a result of past event, is recognised only when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Wherever, there is a possible obligation that may but probably will not require an outflow of resources, the same is disclosed by way of contingent liability.

The Company claims to have no Contingent liability and hence, it is not provided for in the books of accounts. Contingent assets are not recognised in the financial statements.

Significant accounting policies and accompanying notes to the financial statements(n) Operating Cycle

Based on the nature of activities of the company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as a 12 months for the purpose of classification of assets and liabilities as a current and non-current.

(o) Previous Year's Figures

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

(p) Other Information

The various other information as required under Schedule III of the Companies Act, 2013 are as follows:-

(All amounts are in INR in Lacs unless otherwise stated)

| Sr. No. | Particulars | As on 31-03-2025 | As on 31-03-2024 |
|------------|--|---------------------|---------------------|
| (i) | <u>Contingent Liabilities and Commitments (to the extend not provided for)</u> | | |
| (1) | <u>Contingent Liabilities</u> | | |
| (a) | Claims against the company not acknowledged as debts | Nil | Nil |
| (b) | Guarantees | Nil | Nil |
| (c) | Other money for which the company is contingently liable | Nil | Nil |
| (2) | <u>Commitments</u> | | |
| (a) | Estimated amount of contracts remaining to be executed on capital account and not provided for | Nil | Nil |
| (b) | Uncalled liability on shares and other investments partly paid | Nil | Nil |
| (c) | Other commitments | Nil | Nil |
| (ii) | <u>Dividend proposed and Arrears of dividends</u> | | |
| (1) | Dividend proposed to be distributed to equity shareholders | Nil | Nil |
| (2) | Dividend proposed to be distributed to equity shareholders per share | Nil | Nil |
| (3) | Dividend proposed to be distributed to preference shareholders | Nil | Nil |
| (4) | Dividend proposed to be distributed to preference shareholders per share | Nil | Nil |
| (5) | Arrears of fixed cumulative dividends on preference shares | Nil | Nil |
| (iii) | Amount of Securities issued for specific purpose, but not utilised for the specific purpose | Nil | Nil |
| (iv) | Amount of borrowings from banks & financial institution not utilised for the specific purpose | Nil | Nil |
| (v) | Assets other than Property, Plant and Equipment, Intangible Assets and non-current investments which don't have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated. | Nil | Nil |

Significant accounting policies and accompanying notes to the financial statements

| | | |
|---|------|------|
| (vi) <u>Payment to Auditors</u> | | |
| (1) As Auditor | 1.80 | 1.80 |
| (2) for taxation matters | Nil | Nil |
| (3) for company law matters | Nil | Nil |
| (4) for management services | Nil | Nil |
| (5) for other services | Nil | Nil |
| (6) for reimbursement of expenses | Nil | Nil |
| (vii) <u>Value of Imports on C.I.F. basis</u> | | |
| (1) Raw Material | Nil | Nil |
| (2) Components and spare parts | Nil | Nil |
| (3) Capital Goods | Nil | Nil |
| (viii) Expenditure in foreign currency during the year on account of royalty, know-how, professional and consultation fees, interest and other matters. | Nil | Nil |
| (ix) <u>Imported and Indigenous Consumption</u> | | |
| <u>Raw materials</u> | | |
| - Imported Materials | Nil | Nil |
| - Indigenous Materials | Nil | Nil |
| - Percentage of Imported Materials | Nil | Nil |
| - Percentage of Indigenous Materials | Nil | Nil |
| <u>Spare Parts and Components</u> | | |
| - Imported Materials | Nil | Nil |
| - Indigenous Materials | Nil | Nil |
| - Percentage of Imported Materials | Nil | Nil |
| - Percentage of Indigenous Materials | Nil | Nil |
| (x) <u>Dividend remitted in foreign currencies</u> | | |
| (1) Amount remitted during the year in foreign currencies on account of dividends | Nil | Nil |
| (2) Total number of non-resident shareholders | Nil | Nil |
| (3) Total number shares held by non-resident shareholders | Nil | Nil |
| (xi) <u>Earning in foreign exchange</u> | | |
| (1) F.O.B. value of Exports | Nil | Nil |
| (2) Royalty, Know-how, professional and consultation fees | Nil | Nil |
| (3) Interest and dividend | Nil | Nil |
| (4) Other income | Nil | Nil |
| (xii) <u>Undisclosed income</u> | | |
| (1) Transaction not recorded in the books of accounts that have been surrendered or disclosed as income in tax assessments under the Income Tax Act, 1961 | Nil | Nil |
| (2) Previously unrecorded income and related assets which have been properly recorded in the books of accounts during the year. | Nil | Nil |
| (xiii) Corporate Social Responsibility (CSR) | NA | NA |
| (xiv) <u>Detail of Crypto Currency or Virtual Currency</u> | | |
| (1) Profit or loss on transactions in Crypto or Virtual Currency | Nil | Nil |
| (2) Amount of currency held as at the reporting date | Nil | Nil |
| (3) Deposits or advances from any person for the purpose of trading or investing in Crypto or Virtual Currency | Nil | Nil |

Significant accounting policies and accompanying notes to the financial statements

(q) Additional Regulatory Information:

- (i) The company does not have any immovable property.
- (ii) The Company has not revalued any of its Property, Plant and Equipments.
- (iii) Company has not given any Loans or Advances in the nature of loans to its promoters, directors, key managerial personnel and related parties.
- (iv) CWIP Ageing Schedule
In absence of any Capital Work In Progress such details are not applicable.
- (v) There is no intangible asset under development as at the year-end.
- (vi) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (vii) The Company is not declared wilful defaulter by any bank or financial institution or other lender.
- (viii) The Company does not have any transactions with companies struck off u/s. 248 of the Companies Act, 2013 or u/s. 560 of the Companies Act, 1956.
- (ix) No charges or satisfaction is pending to be registered with Registrar of Companies beyond the statutory period.
- (x) The company does not have any subsidiary and hence, there is no violation with regard to the number of layers prescribed u/s. 2(87) of the Act r.w. Companies (Restriction on number of Layers) Rules, 2017.

(xi) Ratio Analysis

(All amounts are in INR in Lacs unless otherwise stated)

| Sr. No. | Particulars | F.Y. 2024-25 | F.Y. 2023-24 | Change |
|---------|--|-----------------|-----------------|---------|
| (a) | Current Ratio (Current Assets / Current Liabilities) | 3.62 | 273.12 | -98.67% |
| | Current Assets | 1,473.21 | 747.90 | |
| | Current Liabilities | 406.87 | 2.74 | |
| (b) | Debt-Equity Ratio (Total Debts / Shareholder's Fund) | NA | NA | |
| | Since there is no debt in the preceeding year, the comparative ratio of the same is not applicable | | | |
| (c) | Debt Service Coverage Ratio (Earnings available for debt service / Debt Service) | NA | NA | |
| | Since there is no debt in the preceeding year, the comparative ratio of the same is not applicable | | | |
| (d) | Return on Equity Ratio (Net Profit after tax / Average Shareholder's Equity) | 4.08% | -0.85% | 577.66% |
| | Net Profit after tax | 30.63 | (6.31) | |
| | Average Shareholder's Equity (i.e. Avg. of Paid-up Share Capital and Reserves & Surplus) | 751.21 | 739.05 | |

Significant accounting policies and accompanying notes to the financial statements

| | | | |
|--|----------|--------|----------|
| (e) Inventory Turnover ratio (Cost Of Goods Sold / Average Inventory) | NA | NA | |
| Cost of Goods Sold | NA | NA | |
| Average Inventory | NA | NA | |
| (f) Trade Receivables Turnover ratio (Net Credit Sales / Average trade receivables) | 2.98 | 1.17 | 154.45% |
| Net Credit Sales of the company | 2,024.96 | 129.19 | |
| Average Trade Receivables | 680.35 | 110.45 | |
| (g) Trade Payables Turnover Ratio (Net Credit Purchases / Average Trade Payables) | 8.41 | 2.33 | 260.23% |
| Net Credit Purchases of the company (i.e. Purchases of Material and Stock in Trade) | 1,526.29 | 24.41 | |
| Average Trade Payables (i.e. Average of Trade Payables and Other Payables) | 181.58 | 10.46 | |
| (h) Net capital Turnover ratio (Net Sales / Average Working Capital) | 2.24 | 0.17 | 1194.53% |
| Net Sales (i.e. Revenue From Operations) | 2,024.96 | 129.19 | |
| Average Working Capital (Working Capital = Current Assets - Current Liabilities) | 905.74 | 748.06 | |
| (i) Net Profit Ratio (Net profit after tax / Net Sales) | 1.51% | -4.88% | 130.98% |
| Net Profit After Tax | 30.63 | (6.31) | |
| Net Sales (i.e. Revenue From Operations) | 2,024.96 | 129.19 | |
| (j) Return on Capital employed (Earning before interest and tax / Capital Employed) | 4.24% | -0.86% | 594.74% |
| Earning Before Interest and Taxes | 32.51 | (6.31) | |
| Capital Employed (i.e. Tangible Net Worth) | 766.52 | 735.89 | |
| (k) Return on investment (Value of investment increased / Value of Investment at start of the year) | NA | NA | |
| Value of Investment at Time 0 | NA | NA | |
| Value of Investment at Time 1 | NA | NA | |
| Value of Investment Increased | NA | NA | |

(l) Reasons for significant variation in ratios:

The reasons for variation in excess of 25% in various ratios are explained as follows :-

(1) Current Ratio

During the year, current liability of the company has increased significantly as compared to the current asset of the company and hence, there is a variation in current ratio.

Significant accounting policies and accompanying notes to the financial statements

- (2) Return on Equity Ratio
During the year, the company have earned profit whereas in the earlier year the company has incurred loass and hence, there is a variation in the Return on Equity Ratio.
- (3) Trade Receivables turnover ratio
During the year, the turnover and trade receivable of the company has increased significantly and thus, there is a variation in the Trade Receivable Turnover Ratio in the current year as compared to the earlier year.
- (4) Trade payables turnover ratio
During the year, the purchase of the company has increased Significantly and hence, there is a variation in the Trade Payable Turnover Ratio.
- (5) Net capital turnover ratio
During the year, the turnover of the company has increased significantly thus, there is a variation in the Net Capital Turnover Ratio.
- (6) Net profit ratio
During the year, the company have earned profit whereas in the earlier year the company has incurred loass and hence, there is a variation in the Nete Profit Ratio.
- (7) Return on Capital employed
During the year, the company have earned profit whereas in the earlier year the company has incurred loass and hence, there is a variation in the Return on Capital Employed Ratio.
- (r) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- (s) Utilisation of Borrowed funds, share premium or any other source or kind of fund:
- (A) Company has not advanced or loaned or invested any funds to any person(s) or entity(ies) 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 Untimate Beneficiaries.
- (B) Company has not received any funds from any person(s) or entity(ies) including foreign entities (Funding Party) with the understanding 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 Untimate Beneficiaries.

For & on behalf of the Board
Shantai Industries Ltd.

For D S I & Co
Chartered Accountants
ICAI FRN : 127226W

Sd/-
Harish Sawlani
Chairman & MD

Sd/-
Vasudev Sawlani
WTD

Sd/-
Shailesh Damor
CFO

Sd/-
Shipra Mehta
Company Secretary

Sd/-
Eric Kapadia
Partner
Membership No. 136712
UDIN :25136712BMJIPU4843

Place : Surat
Date : 30-05-2025

Place : Surat
Date : 30-05-2025

This page has been intentionally left

THE MINISTRY OF CORPORATE AFFAIRS HAS TAKEN A “GREEN INITIATIVE IN THE CORPORATE GOVERNANCE” BY ALLOWING PAPERLESS COMPLIANCES BY THE COMPANIES AND HAS ISSUED CIRCULAR STATING THAT SERVICE OF NOTICE/DOCUMENTS INCLUDING ANNUAL REPORT CAN BE SENT BY E-MAIL TO ITS MEMBERS. TO SUPPORT THIS GREEN INITIATIVE OF THE GOVERNMENT, MEMBERS WHO HAVE NOT REGISTERED THEIR E-MAIL ADDRESS, SO FAR, ARE REQUESTED TO GET THEIR E-MAIL ADDRESSES, IN RESPECT OF ELECTRONIC HOLDING WITH DEPOSITORY THROUGH THEIR CONCERNED DEPOSITORY PARTICIPANTS. MEMBERS, WHO HOLD SHARES IN PHYSICAL FORM, ARE REQUESTED TO GET THEIR SHARES DEMATERIALIZED.