

# **SURAT TRADE AND MERCANTILE LIMITED**

(Formerly known as Surat Textile Mills Limited)

**Date: 18<sup>th</sup> August 2025**

**To,  
The General Manager,  
Corporate Relations Department,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001  
Scrip Code: 530185**

Sir/Madam,

**Sub: Annual Report under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations').**

This is furtherance to our letter dated 25<sup>th</sup> July 2025, wherein the Company had informed that the 79th Annual General Meeting('AGM') of the Company will be held on Friday, 12<sup>th</sup> September 2025 through Video Conferencing / Other Audio Visual Means.

Pursuant to Regulations 34(1) of the SEBI Listing Regulations, please find enclosed the Annual Report of the Company along with the Notice of the 79th AGM and other Statutory Reports for the Financial Year 2024-25. The same is being sent through electronic mode to those Members whose email addresses are registered with the Company/its Registrar and Transfer Agent (RTA)/Depositories.

Further, pursuant to Regulation 36(1)(b) of the SEBI Listing Regulations, the Company has initiated sending a letter to the shareholders whose e-mail addresses are not registered with the Company/RTA/Depositories, providing a web-link and QR code for accessing the Integrated Annual Report of the Company

The Notice of the AGM along with the Annual Report for the financial year 2024-25 is also uploaded on the Company's website at <https://www.stml.in>

This is for your information and record.

Thanking you,

Yours faithfully,  
**For Surat Trade and Mercantile Limited**

MAHEK  
GAURAV JAJU

Digitally signed by MAHEK GAURAV  
JAJU  
Date: 2025.08.18 12:55:03 +05'30'

**Mahek Gaurav Jaju  
Company Secretary & Compliance Officer**

Encl.: as above.

The logo consists of the letters 'STML' in a large, blue, serif font. The 'S' and 'T' are connected, and the 'M' is slightly larger and positioned to the right of the 'T'.

ANNUAL REPORT 2024-25



**SURAT TRADE AND MERCANTILE LIMITED**



## CORPORATE INFORMATION

## BOARD OF DIRECTORS

Alok P. Shah (DIN: 00218180)

*Managing Director*

Suhail P. Shah (DIN: 00719002)

*Wholetime Director*

Paresh V. Chothani (DIN: 00218632)

*Wholetime Director*

Ketan Jariwala\* (DIN: 02095540)

Kruti Kothari (DIN: 08502921)

Deepak N. Shah (DIN: 07356807)

Manish Gandhi\*\* (DIN: 10671306)

\* Upto 10<sup>th</sup> August, 2024

\*\*Appointed w.e.f. 27<sup>th</sup> June, 2024

## BANKERS

HDFC Bank

Bank of Baroda

## REGISTRAR AND TRANSFER AGENTS

KFin Technologies Limited

(Unit: Surat Trade and Mercantile Limited)

Selenium Tower B, Plot Nos. 31 & 32,

Financial District,

Serilingampally Mandal,

Hyderabad 500032.

State: Telengana, India.

Email: einward.ris@kfintech.com

## CHIEF FINANCIAL OFFICER

Chandresh S. Punjabi

## COMPANY SECRETARY

Mahek Gaurav Jaju

## REGISTERED OFFICE

6<sup>th</sup> Floor, Tulsi Krupa Arcade,

Near Aai Mata Chowk,

Puna-Kumbharia Road, Dumbhal,

Surat 395010.

CIN: L17119GJ1945PLC000214

Tel: (0261) 2311198.

e-mail: shareddepartment@stml.in

<https://www.stml.in>

## STATUTORY AUDITORS

Sharp and Tannan Associates,

Chartered Accountants, Mumbai

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("Surat Trade and Mercantile Limited" formerly known as "Surat Textile Mills Limited")

79<sup>th</sup> Annual General Meeting on Friday, 12<sup>th</sup> September, 2025 at 3:30 p.m. IST through Video Conferencing ('VC') / Other Audio - Visual Means ('OAVM') facility

## NOTICE

**NOTICE** is hereby given that the **79<sup>th</sup> Annual General Meeting ("AGM")** of the members of **SURAT TRADE AND MERCANTILE LIMITED** will be held on **12<sup>th</sup> September 2025, at 3:30 P.M. IST** through Video Conferencing ("**VC**") / Other Audio-Visual Means ("**OAVM**"), to transact the following business. The Venue of the meeting shall be deemed to be the Registered Office of the Company at Tulsi Krupa Arcade, 6<sup>th</sup> Floor, Puna-Kumbharia Road, Dumbhal, Surat 395010.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2025 together with the Reports of the Board of Directors and Auditors thereon, and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the audited financial statements of the Company for the financial year ended 31st March 2025 together with the Reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby approved and adopted".

2. To appoint Mr. Suhail P. Shah (DIN: 00719002), who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Suhail P. Shah (DIN: 00719002), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

### SPECIAL BUSINESS:

3. To approve the re-appointment of Mr. Alok P. Shah (DIN 00218180) as Managing Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 ("SEBI Listing Regulations"), as amended, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall include any Committee thereof or person(s) authorized by the Board) and relevant provisions of Articles of Association of the Company and other requisite approvals, if any required, consent of the members be and is hereby accorded to re-appoint Mr. Alok P. Shah (DIN: 00218180) as Managing Director of the Company, liable to retire by rotation, for a period of 5 (five) years from the expiry of his present term of office, i.e., with effect from 1st July, 2025, on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER THAT** in the event of any statutory amendment(s) or modification(s) or relaxation to Schedule V to the Act, the Board be and is hereby authorized to vary and alter the terms of appointment including salary, commission, perquisites and other allowances payable to Mr. Alok P. Shah within such prescribed limit or ceiling in terms of the Act as agreed by and between the Board and Mr. Alok P. Shah without any further reference to the Company in General Meeting.

**RESOLVED FURTHER THAT** notwithstanding anything contained to the contrary in the Act, wherein any financial year the Company has no profits or inadequate profit, Mr. Alok P. Shah will be paid minimum remuneration as set out in annexure to the Notice or such remuneration as may be approved by the Board within the ceiling limit prescribed under Schedule V of the Act or any modification or re-enactment thereof, by making requisite compliances prescribed in the said schedule.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution."

4. To approve the appointment of M/s Jigar Vyas & Associates, Practicing Company Secretary as Secretarial Auditor of the Company for a first term of five (5) years and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), and in accordance with the recommendation of the Board of Directors of the Company, M/s Jigar Vyas & Associates, Practicing Company Secretary (Firm registration No. S2015GJ307200 and Peer Reviewed Certificate No. 2273/2022) be appointed as the Secretarial Auditors of the Company for a term of five (5) consecutive years, to conduct the Secretarial Audit of five consecutive financial years from 2025-26 to 2029-30 at such remuneration plus applicable taxes and reimbursement of out of pocket expenses, as mutually agreed between the Board of Directors of the Company and the Secretarial Auditors.

**RESOLVED FURTHER THAT** approval of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as the ‘Board’ which expression shall include any Committee thereof or person(s) authorized by the Board) to avail or obtain from the Secretarial Auditor, such other services or certificates, reports, or opinions which the Secretarial Auditors may be eligible to provide or issue under the applicable laws, at such remuneration, as mutually agreed between the Board of Directors of the Company and the Secretarial Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution.”

**Registered Office:** By Order of the Board of Directors  
Tulsi Krupa Arcade,  
6<sup>th</sup> Floor,  
Puna-Kumbharia  
Road, Dumbhal,  
Surat 395010.

**Mahek Gaurav Jaju**  
Company Secretary and  
Compliance Officer

Place: Surat  
Date: 25<sup>th</sup> July, 2025

#### Notes:

1. The Ministry of Corporate Affairs (‘MCA’) has vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 09/2024 dated September 19, 2024 (collectively referred to as ‘MCA Circulars’), permitted the holding of the Annual General Meeting (‘AGM’) through Video Conferencing (‘VC’) / Other Audio Visual Means (‘OAVM’) without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 (‘the Act’) and the MCA Circulars, the 79th AGM of the Company is being held through VC/OAVM on **Friday, 12th September 2025 3.30 p.m. (IST)**. The proceedings of the 79th AGM shall be deemed to be conducted at the Registered Office of the Company.
2. A statement pursuant to the provisions of Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM, is annexed hereto. Further, additional information as required under Listing Regulations and Circulars issued thereunder are also annexed.
3. The relevant details with respect to Item Nos. 3 and 4 of the Notice pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India (‘ICSI’) in respect of the Directors seeking appointment/re-appointment at this AGM are also annexed. Requisite declarations have been received from the Directors seeking appointment/re-appointment.
4. Generally, a member entitled to attend and vote at 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. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto.
5. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.

6. In terms of the provisions of Section 152 of the Act, Mr. Suhail P. Shah, Director of the Company, retire by rotation at the Meeting. The Nomination and Remuneration Committee and the Board of Directors of the Company recommends his re-appointment.

Mr. Suhail P. Shah is interested in the Ordinary Resolution set out at Item Nos. 3 of this Notice with regard to his re-appointment. Mr. Alok P. Shah, Managing Director, being related to Mr. Suhail P. Shah, may be deemed to be interested in the resolution set out at Item No. 3 of this Notice. The other relatives of Mr. Suhail P. Shah may be deemed to be interested in the resolutions set out at Item Nos. 3 of this Notice, to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item No 3 of this Notice.

7. The Members can join the AGM in the VC/OAVM, 30 minutes before and upto 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.
8. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote during the AGM.
9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. **Book Closure:** The Register of Members and Transfer Books of the Company will remain closed from Monday, 8th September 2025 to Friday, 12th September 2025 (both days inclusive) for the purpose of AGM.
11. Authorised representatives of the corporate members intending to participate in the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/JPG format) of the relevant Board Resolution/ Authority Letter etc. authorizing them to attend the AGM, by email to [shareddepartment@stml.in](mailto:shareddepartment@stml.in).

## 12. Dispatch of Annual Report through Electronic Mode:

In line with the MCA Circulars and the Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and subsequent Circulars issued in this regard by the Securities and Exchange Board of India (SEBI), the latest being Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024, the Notice of the AGM along with the Annual Report for the financial year 2024-25 is being sent only through electronic mode to those members whose e-mail address is registered with the Company / Registrar and Transfer Agent / Depository Participants / Depositories. Members may note that this Notice and Annual Report for the financial year 2024-25 will also be available on the Company's website at [www.stml.in](http://www.stml.in), websites of the Stock Exchange, i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of Company's Registrar and Transfer Agent, KFin Technologies Limited ("KFinTech") at <https://evoting.kfintech.com>.

For receiving all communication (including Annual Report) from the Company electronically:

- a) Members holding shares in dematerialised mode are requested to register / update their e-mail address with the relevant Depository Participant. National Securities Depository Limited (**NSDL**) has provided a facility for registration / updation of e-mail address through the link: <https://eservices.nsdl.com/kyc-attributes/#/login>.
- b) Members holding shares in physical mode are requested to follow the process set out in the other information forming part of this Notice.
13. In accordance with Regulation 36(1)(b) of the SEBI Listing Regulations, a letter is being sent to the shareholders whose email addresses are not registered with the Company/DP, providing a web-link and QR code for accessing the Annual Report 2024-25. The Notice convening the 79th AGM has been uploaded on the website of the Company at [www.stml.in](http://www.stml.in), the Stock Exchange on which the securities of the Company are listed i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of KFin Technologies Limited <https://evoting.kfintech.com> respectively.



#### 14. Updation of PAN, KYC and other details

SEBI has, vide its Master Circular No. SEBI/HO/MIRSD/POD- 1/P/CIR/2024/37 for Registrars to an Issue and Share Transfer Agents dated May 7, 2024 read with SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024, mandated to furnish PAN, KYC details (i.e. full address with pin code, mobile no., email id, bank details) by holders of physical securities through Form ISR-1.

The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. Members holding shares of the Company in physical form are requested to go through the requirements on the website of the Company at <https://www.stml.in> to furnish the abovementioned details.

In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, the Company had stopped accepting any fresh transfer requests for securities held in physical form. Members holding shares of the Company in physical form are requested to kindly get their shares converted into demat/electronic form to get inherent benefits of dematerialisation.

#### 15. Nomination facility

As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website at <https://www.stml.in>. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the Registrar in case the shares are held in physical form. Further, all new Members are mandatorily required to provide the choice of nomination for their demat accounts (except for jointly held demat accounts).

16. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialised form.

#### 17. Procedure for Inspection of Documents:

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in this Notice will be available, electronically, for inspection by the members during the AGM.

All the documents referred to in this Notice will also be available for inspection electronically without any fee by the members from the date of circulation of this Notice up to the date of AGM.

Members seeking to inspect such documents can send an e-mail to [shareddepartment@stml.in](mailto:shareddepartment@stml.in) mentioning his / her / its folio number / DP ID and Client ID.

#### 18. Submission of Questions/queries prior to e-AGM:

Members desiring any additional information with regard to Accounts / annual Reports or has any question or query are requested to write to the Company Secretary on the Company's investor email-id i.e., [shareddepartment@stml.in](mailto:shareddepartment@stml.in) at least 7 days before the date of the e-AGM, so as to enable the Management to keep the information ready. Please note that member's questions will be answered only if they continue to hold the shares as of cut-off date.

**Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will be opened from **Monday, 8th September 2025 (9:00 a.m. IST) to Wednesday, 10th September 2025 (5:00 p.m. IST)**.

19. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be opened from **Monday, 8th September 2025 (9:00 a.m. IST) to Wednesday, 10th September 2025 (5:00 p.m. IST)**. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.



20. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFinTech Website) or contact Ms. Shobha Anand, at [evoting@kfintech.com](mailto:evoting@kfintech.com) or call KFinTech's toll free No. 1-800-309- 4001 for any further clarifications.

**21. INSTRUCTIONS FOR THE MEMBERS FOR ATTENDING THE e-AGM THROUGH VIDEO CONFERENCE / OTHER AUDIO-VISUAL MODE:**

- i. **Attending the e-AGM:** Members will be able to attend the AGM through VC/ OAVM or view the live webcast of AGM at <https://emeetings.kfintech.com/> by using their emote e-voting login credentials and selecting the 'Event' for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.
- ii. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
- iii. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Facility of joining the AGM through VC/OAVM shall be open 30 minutes before the time scheduled for the AGM.

**Procedure for 'remote e-voting' and e-voting at the AGM ('Insta Poll'):**

**(A) E-VOTING FACILITY**

- (i) The Company is providing to its members, facility to exercise their right to vote on the resolutions proposed to be passed at

the AGM by electronic means ("e-voting"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("**remote e-voting**").

- (ii) Further, the facility for voting through electronic voting system will also be made available at the Meeting ("**Insta Poll**") and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.
- (iii) The Company has engaged the services of KFinTech as the agency to provide e-voting facility.
- (iv) The **manner of voting, including voting remotely by (i) individual members holding shares of the Company in demat mode, (ii) members other than individuals holding shares of the Company in demat mode, (iii) members holding shares of the Company in physical mode, and (iv) members who have not registered their e-mail address, is explained in the instructions given under C. and D. hereinbelow.**
- (v) The remote e-voting facility will be available during the following voting period:

Commencement of Remote e-voting:	9:00 a.m. (IST) on Tuesday, 9 <sup>th</sup> September 2025
End of e-voting:	5:00 p.m. (IST) on Thursday, 11 <sup>th</sup> September 2025

- (vi) The remote e-voting will not be allowed beyond the aforesaid date and time, and the e-voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period.
- (vii) Subject to the provisions of the Articles of Association of the Company, voting rights of a member / beneficial owner (in case of electronic shareholding) shall be in proportion to his / her / its shareholding in the paid-up equity share capital of the Company as on the **cut-off date, i.e., Friday, 5th September 2025 ("Cut-off Date")**.

- (viii) The Board of Directors has appointed M/s Jigar Vyas & Associates, Practising Company Secretaries (Membership No.: FCS 8019 and COP No. 14468), as Scrutiniser to scrutinise the remote e-voting and Insta Poll process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose. The Scrutiniser's decision on the validity of the votes cast through remote e-voting and Insta Poll shall be final.

## **(B) INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING**

- (i) **The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting.**
- (ii) **Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.**
- (iii) A member can opt for only single mode of voting, i.e., through remote e-voting or voting at the Meeting (Insta Poll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".
- (iv) **Only a person, whose name is recorded as on the Cut-off Date, in the register of members / register of beneficial owners maintained by the**

**Depositories, shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting through Insta Poll. A person who is not a member as on the Cut-off Date, should treat this Notice for information purpose only.**

- (v) The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in this Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the Cut-off Date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.

## **(C) REMOTE E- VOTING: INFORMATION AND INSTRUCTIONS FOR REMOTE E-VOTING BY INDIVIDUAL MEMBERS HOLDING SHARES OF THE COMPANY IN DEMAT MODE**

As per the SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, as amended, **all "individual members holding shares of the Company in demat mode" can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. The procedure to login and access remote e-voting, as devised by the Depositories / Depository Participant(s), is given below:**

### **PROCEDURE TO LOGIN THROUGH WEBSITES OF DEPOSITORIES**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with National Securities Depository Limited ("NSDL")	<ol style="list-style-type: none"><li>1. Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure:<ol style="list-style-type: none"><li>i. Type in the browser / Click on the following e-Services link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li><li>ii. Click on the button "<b>Beneficial Owner</b>" available for login under 'IDeAS' section.</li><li>iii. A new page will open. Enter your User ID and Password for accessing <b>IDeAS</b>.</li><li>iv. On successful authentication, you will enter your IDeAS service login. Click on "Access to e-Voting" under Value Added Services on the panel available on the left hand side.</li><li>v. You will be able to see Company Name: "Surat Trade and Mercantile Limited" on the next screen. <b>Click on the e-Voting link available against Surat Trade and Mercantile Limited or select e- Voting service provider "KFinTech"</b> and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.</li></ol></li></ol>

Type of shareholders	Login Method
	<p><b>2. Users not registered for IDeAS e- Services facility of NSDL may follow the following procedure:</b></p> <ol style="list-style-type: none"> <li>To register, type in the browser / Click on the following e-Services link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>Select option “Register Online for IDeAS” available on the left hand side of the page or click on <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>Proceed to complete registration using your DP ID, Client ID, Mobile Number etc.</li> <li>After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.</li> </ol> <p><b>3. Users may directly access the e-Voting module of NSDL as per the following procedure:</b></p> <ol style="list-style-type: none"> <li>Type in the browser / Click on the following link: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> <li>Click on the button “Login” available under “Shareholder/Member” section.</li> <li>On the login page, enter User ID (i.e., (a) 16-character demat account number held with NSDL, starting with IN (b) alpha-numeric User ID already set by the Member), Login Type, i.e., through typing Password (in case you are registered on NSDL’s e-voting platform) / through generation of OTP (in case your mobile / e-mail address is registered in your demat account) and Verification Code as shown on the screen.</li> </ol> <p>As an alternate OTP based login, click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. Enter 8-digit DP ID, 8-digit Client ID, PAN No., Verification code as shown on the screen and click on ‘Generate OTP’ button. Enter the OTP received on your registered email id / mobile number and click on ‘Log-in’ button.</p> <p>After successful authentication, you will be redirected to NSDL Depository website, wherein you can see e-Voting page.</p> <ol style="list-style-type: none"> <li>You will be able to see Company Name: “Surat Trade and Mercantile Limited” on the next screen. <b>Click on the e-Voting link available against Surat Trade and Mercantile Limited or select e-Voting service provider “KFinTech”</b> and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.</li> </ol>
<b>Individual Shareholders holding securities in demat mode with Central Depository Services (India) Limited (“CDSL”)</b>	<p><b>1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:</b></p> <ol style="list-style-type: none"> <li>Type in the browser / Click on any of the following links: <a href="https://web.cdslindia.com/myeasitoken/home/login">https://web.cdslindia.com/myeasitoken/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on <b>New System Myeasi / Login to My Easi option under Quick Login</b> (best operational in Internet Explorer 10 or above and Mozilla Firefox).</li> </ol>

Type of shareholders	Login Method
	<ul style="list-style-type: none"> <li>ii. Enter your User ID and Password for accessing Easi /Easiest.</li> <li>iii. You will see Company Name: “Surat Trade and Mercantile Limited” on the next screen. <b>Click on the e-Voting link available against Surat Trade and Mercantile Limited or select e-Voting service provider “KFinTech”</b> and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.</li> </ul> <p><b>2. User not registered for Easi/Easiest facility of CDSL may follow the following procedure:</b></p> <ul style="list-style-type: none"> <li>i. To register, type in the browser / Click on the following link: <b><a href="https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration">https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration</a></b> or <b><a href="https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration">https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration</a></b></li> <li>ii. Proceed to complete registration using your DP ID Client ID (BO ID), etc.</li> <li>iii. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.</li> </ul> <p><b>3. Users may directly access the e-Voting module of CDSL as per the following procedure:</b></p> <ul style="list-style-type: none"> <li>i. Type in the browser / Click on the following link: <b><a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a></b></li> <li>ii. Provide Demat Account Number and PAN.</li> <li>iii. System will authenticate user by sending OTP on registered Mobile &amp; E-mail as recorded in the Demat Account.</li> <li>iv. On successful authentication, you will enter the e-voting module of CDSL. <b>Click on the e-Voting link available against Surat Trade and Mercantile Limited or select e-Voting service provider “KFinTech”</b> and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.</li> </ul>

#### Procedure to login through their demat accounts / Website of Depository Participant

Individual members holding shares of the Company in Demat mode **can access e-Voting facility provided by the Company using login credentials of their demat accounts** (online accounts) through their demat accounts / **websites of Depository Participants** registered with NSDL / CDSL. An option for “**e-Voting**” will be available once they have successfully logged-in through their respective logins. Click on the option “**e-Voting**” and they will be redirected to e-Voting modules of NSDL / CDSL (as may be applicable). **Click on the e-Voting link available against Surat Trade and Mercantile Limited or select e-Voting service provider “KFinTech”** and you will be redirected to the e-Voting page of KFinTech to cast your vote without any further authentication.

**Members who are unable to retrieve User ID / Password are advised to use “Forgot User ID” / “Forgot Password” options available on the websites of Depositories / Depository Participants.**

Login type	Contact details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue during login can contact NSDL helpdesk by sending a request at <b><a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a></b> or call at <b>022- 4866 7000 / 1800 102 0990</b>
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue during login can contact CDSL helpdesk by sending a request at <b><a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a></b> or contact at toll free no. <b>1800 210 9911</b>

**INFORMATION AND INSTRUCTIONS FOR REMOTE E-VOTING BY (I) MEMBERS OTHER THAN INDIVIDUALS HOLDING SHARES OF THE COMPANY IN DEMAT MODE AND (II) ALL MEMBERS HOLDING SHARES OF THE COMPANY IN PHYSICAL MODE**

**(I) (A) In case a member receives an e-mail from the Company /KFinTech [for members whose e-mail address is registered with the Company / Depository Participant(s)]:**

- (a) Launch internet browser by typing the URL: **<https://evoting.kfintech.com>**.
- (b) Enter the login credentials (**User ID and password provided in the e-mail**). The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. If you are already registered with KFinTech for e-voting, you can use the existing password for logging-in. If required, please visit **[https:// evoting.kfintech.com](https://evoting.kfintech.com)** or contact toll-free number 1800 309 4001 (from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days) for assistance on your existing password.
- (c) After entering these details appropriately, click on "LOGIN".
- (d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Surat Trade and Mercantile Limited 79<sup>th</sup> -AGM and click on "Submit".

- (g) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- (h) Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
- (i) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as ABSTAINED.
- (j) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
- (k) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify.
- (l) Once you confirm, you will not be allowed to modify your vote.
- (m) Institutional/ Corporate members (i.e. other than individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution/ Power of Attorney/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail id: [stml\\_scrutinizer@kfintech.com](mailto:stml_scrutinizer@kfintech.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). Such authorisation shall contain necessary authority for voting by its authorised representative(s). It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be "Corporate Name EVEN".

**(B) In case of a member whose e-mail address is not registered / updated with the Company / KFinTech / Depository Participant(s), please follow the following steps to generate your login credentials:**

- (a) Members holding shares in physical mode, who have not registered / updated their e-mail address with the Company's RTA, KFin Technologies Limited, at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- (b) **Members holding shares in dematerialised mode who have not registered their e-mail address with their Depository Participant(s) are requested to register / update their e-mail address with the Depository Participant(s) with which they maintain their demat accounts.**
- (c) After due verification, the Company / KFinTech will forward your login credentials to your registered e-mail address.
- (d) Follow the instructions at (I).(A).(a) to (m) to cast your vote.

**(II) Members can also update their mobile number and e-mail address in the "user profile details" in their e-voting login on <https://evoting.kfintech.com>.**

**(III) Any person who becomes a member of the Company after despatch of this Notice of the Meeting and holding shares as on the Cut-off Date / any member who has forgotten the User ID and Password, may obtain / generate / retrieve the same from KFinTech in the manner as mentioned below:**

- (a) If the mobile number of the member is registered against his / her / its Folio No. / DP ID Client ID:

**In case the shares are held in dematerialised mode:** The member may send SMS: **MYEPWD <space> DP ID Client ID to 9212993399**

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

**In case the shares are held in physical mode:** The member may send SMS **MYEPWD <space> E-Voting Event Number + Folio No. to 9212993399**

Example for Physical: MYEPWD <SPACE> XXXX123456789

- (b) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate password.
  - (c) Member may call on KFinTech's tollfree number 1800 309 4001 (from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days).
  - (d) Member may send an e-mail request to [evoting.ril@kfintech.com](mailto:evoting.ril@kfintech.com). After due verification of the request, User ID and password will be sent to the member.
  - (e) If the member is already registered with KFinTech's e-voting platform, then he / she / it can use his / her / its existing password for logging-in.
- (IV) In case of any query on e-voting, members may refer to the "Help" and "FAQs" sections / E-voting user manual available through a dropdown menu in the "Downloads" section of KFinTech's website for e-voting: <https://evoting.kfintech.com> or contact KFinTech as per the details given below.**

#### **D. INSTA POLL/ VOTING AT E-AGM**

#### **INFORMATION AND INSTRUCTIONS FOR INSTA POLL/ VOTING AT E-AGM**

- i. Only those members/shareholders, who will be present in the e-AGM and who have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote.
- ii. Members who have voted through remote e-voting will still be eligible to attend the e- AGM.
- iii. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- iv. Voting at e-AGM will be available at the end of the e-AGM and shall be kept open for 15 minutes. Members viewing the e-AGM, shall click on the 'e-voting' sign placed on the left-hand bottom corner of the video screen. Members will be required to use the credentials, to login on the e-Meeting webpage, and click on the 'Thumbs-up' icon against the unit to vote.

**(E) CONTACT DETAILS FOR ASSISTANCE ON E-VOTING:**

**Members are requested to note the following contact details for addressing e-voting related grievances:**

Ms. Shobha Anand, Vice President

KFin Technologies Limited

Selenium Tower B, Plot 31 & 32,

Gachibowli, Financial District,

Nanakramguda, Hyderabad 500 032

Email: einward.ris@kfintech.com

Toll-free No.: 1800 309 4001

(from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days)

**(F) E-VOTING RESULT:**

The Chairman shall, at the AGM, at end of discussion on the resolution on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Managing Director of the Company or any person authorized by him. The results of e-voting will be announced on or before Sunday, 14th September 2025 and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company: [www.stml.in](http://www.stml.in) and on the website of KFinTech: <https://evoting.kfintech.com>. The result will simultaneously be communicated to the Stock Exchanges and will also be displayed at the registered office of the Company.

**Subject to receipt of requisite number of votes, the Resolutions proposed in this Notice shall be deemed to have been passed on the date of the Meeting, i.e., Friday, 12<sup>th</sup> September 2025.**

**Other Information**

- As mandated by the Securities and Exchange Board of India ("SEBI"), securities of the Company can be transferred / traded only in dematerialised mode. Members holding shares in physical mode are advised to avail the facility of dematerialisation.
- Members are advised to exercise diligence and obtain statement of holdings periodically from the concerned Depository Participant and verify the holdings from time to time.

- Members are requested to intimate/update changes, if any, in postal address, e-mail address, mobile number, PAN, nomination, bank details such as name of the bank and branch, bank account number, IFS Code etc.

- For shares held in dematerialised mode to their Depository Participant for making necessary changes. NSDL has provided a facility for registration/updation of e-mail address through the link: <https://eservices.nsdl.com/kyc-attributes/#/login> and opt-in/opt-out of nomination through the link: <https://eservices.nsdl.com/instademat-kyc-nomination/#/login>.
- For shares held in physical mode by submitting to KFinTech the forms given below along with requisite supporting documents:

Type of holder	Process to be followed	
Physical	Registration of PAN, postal address, e-mail address, mobile number, Bank Account Details or changes / updation thereof	Form ISR-1
	Confirmation of Signature of member by the Banker	Form ISR-2
	Registration of Nomination	Form SH-13
	Declaration to opt out of Nomination	Form ISR-3
	Cancellation or Variation of Nomination	Form SH-14
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.	

Any service request shall be entertained by KFinTech only upon registration of the PAN and KYC details.

- Non-Resident Indian members are requested to inform the Company / KFinTech (if shareholding is in physical mode) / respective DPs (if shareholding is in demat mode), immediately of change in their residential status on return to India for permanent settlement.



5. Members may please note that the Listing Regulations mandate transfer, transmission and transposition of securities of listed companies held in physical form only in demat mode. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests, viz., issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition.

6. Accordingly, members are requested to make service requests for issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate etc., by submitting a duly filled and signed Form ISR-4 along with requisite supporting documents to KFinTech as per the requirement of the aforesaid circular.

The aforesaid forms can be downloaded from the Company's website at <https://www.stml.in> and is also available on the website of KFin Technologies Limited, the RTA of the Company.

7. SEBI vide its Circular dated July 31, 2023, issued guidelines for members to resolve their grievances by way of Online Dispute Resolution ('ODR') through a common ODR portal. Members are requested to first take up their grievance, if any, with KFin Technologies Limited, Registrar and Share Transfer Agent of the Company. If the grievance is not redressed satisfactorily, the member may escalate the same through: i) SCORES Portal in accordance with the SCORES guidelines, and ii) if the member is not satisfied with the outcome, dispute resolution can be

initiated through the ODR Portal at <https://smartodr.in/login>.

## 8. Important Dates

The Shareholders are requested to take note of the below mentioned important dates with respect to 79th Annual General Meeting of the Company:

Particulars	Date and Time
(A) Cut-off Date for Eligible Shareholders for e-Voting	Friday, 5 <sup>th</sup> September 2025
(B) Speaker Registration	
starts on	Monday, 8 <sup>th</sup> September 2025 at 9.00 A.M.
ends on	Wednesday, 10 <sup>th</sup> September 2025 at 5.00 P.M.
(C) E-Voting	
starts on	Tuesday, 9 <sup>th</sup> September 2025 at 9.00 A.M.
ends on	Thursday, 11 <sup>th</sup> September 2025 at 5.00 P.M.
Date of 79 <sup>th</sup> Annual General Meeting	Friday, 12 <sup>th</sup> September 2025 at 3:30 P.M.

By Order of the Board of Directors

**Place: Surat**

**Date: 25<sup>th</sup> July, 2025**

**Mahek Gaurav Jaju**  
Company Secretary and  
Compliance Officer

## Explanatory Statement

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 3 & 4 of the accompanying Notice dated 25<sup>th</sup> July 2025.

### Item No. 3:

Mr. Alok P. Shah (DIN 00218180) was initially appointed as the Managing Director of the Company, for a period of 3 (three) years, w.e.f. 1<sup>st</sup> July, 2022 at the 76<sup>th</sup> Annual General Meeting of the Company held on 13<sup>th</sup> September 2022 upon the terms and conditions as specified in the explanatory statement annexed to the Notice of the said meeting.

At the subsequent AGM i.e. 77<sup>th</sup> AGM held on 11<sup>th</sup> August 2023, the shareholders of the Company approved the revision in terms of appointment and remuneration effective from 1<sup>st</sup> April 2023 upon the terms and conditions as specified in the explanatory statement annexed to the Notice of the said meeting.

Mr. Alok P. Shah is a graduate in Electrical Engineering from Stanford University and has an M.B.A. (Finance, General Management and Economics) from University of Chicago, USA. Mr. Alok P. Shah has had a brilliant academic career. He has wide exposure and knowledge in project appraisal, corporate finance, operations & business management etc.

Mr. Alok P. Shah shared his rich experience and made valuable contribution and guided the Company and under his leadership, the Company ventured into and successfully implemented new business vertical which contributed to improved performance of the Company for F.Y. 2024-25.

Further taking into consideration his profile and experience, current needs of the business, present performance and potential assessment, and the responsibilities shared by him, the Board of Directors of the Company (the 'Board'), at its meeting held on 27<sup>th</sup> May, 2025 has, subject to the approval of members, approved the re-appointment of Mr. Alok P. Shah as Managing Director of the Company for a period of 5 (five) years from the expiry of his present term, i.e. with effect from 1<sup>st</sup> July, 2025, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board.

The salient features of the terms of re-appointment and remuneration payable to Mr. Alok P. Shah are as under:

**i) Salary:** Upto Rs.7,50,000/- per month.

### ii) Perquisites and Allowances:

- (a) in addition to the salary as above, Mr. Alok P. Shah shall be entitled to perquisites which includes accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses and/or allowances for utilisation of gas, electricity, water furnishings, repairs, servants' salaries, society charges and property tax, medical reimbursement, medical/accident insurance, leave travel concession for self and family including dependents; club fees, car(s) with driver and telephone(s) at residence and such other perquisites and/or other allowances as the Board (which includes any committee thereof) may in its absolute discretion determine from time to time provided that the aggregate value of such perquisites shall not exceed Rs. 2,50,000/- per month.
- (b) The said perquisites and allowance shall be evaluated, wherever applicable, as per the provisions of Income-tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.
- (c) The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, to the extent these singly or together are not taxable under the Income-tax law, and Gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company and to the extent not taxable under the Income-tax law shall not be included for the purpose of computation of the overall ceiling of remuneration.

### iii) Remuneration based on net profits:

In addition to the salary, perquisites and allowances as set out above, Mr. Alok P. Shah shall be entitled to receive remuneration based on net profits. Such remuneration based on net profits will be determined by the Board and/or the Nomination and Remuneration Committee of the Board for each financial year.

The overall remuneration payable every year to the Managing Director and the Wholetime Directors by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc. shall not exceed in aggregate ten percent of the net profits of the Company as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment thereof.

The aggregate of salary, perquisites and commission in any one financial year shall not exceed the overall limits prescribed under Section 197(1) of the Act read with Schedule V to the Act as may be for the time being in force.

**iv) Reimbursement of Expenses**

Expenses incurred for travelling, boarding and lodging including for Mr. Alok P. Shah's spouse and attendant(s) during business trips, any medical assistance provided including for their family members; and provision of car(s) for use on the Company's business, club membership and communication expenses at residence shall be reimbursed at actuals and not considered as perquisites.

**v) Minimum Remuneration**

In the event of inadequacy or absence of profits in any financial year during his tenure as Managing Director, Mr. Alok P. Shah will be entitled to the foregoing amount of remuneration along with the perquisites and allowances mentioned above as the minimum remuneration for the year subject to the ceiling as applicable and prescribed under Schedule V of the Act.

**vi) General:**

- (a) The Managing Director shall perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and confirm to comply with all such directions and regulations as may from time to time be given and made by the Board.
- (b) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (c) The Managing Director shall adhere to the Company's Code of Conduct.

- (d) The office of the Managing Director may be terminated by the Company or by him by giving 3 (three) months' prior notice in writing.

Mr. Alok P. Shah satisfies all conditions set out in Part-I of Schedule V of the Act as also conditions set out under sub-section (3) of Section 196 of the Act for his re-appointment. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Alok P. Shah under Section 190 of the Act.

Details of Mr. Alok P. Shah pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are provided in the "Annexure" to this Notice.

Mr. Alok P. Shah is interested in the resolution set out at Item No. 3 of this Notice with regard to his re-appointment. Mr. Suhail P. Shah, a Wholetime Director being related to Mr. Alok P. Shah may be deemed to be interested in the resolution set out at Item No. 3 of this Notice. The other relatives of Mr. Alok P. Shah and Mr. Suhail P. Shah may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 of this Notice for approval by the members.

**Item No. 4:**

Pursuant to the provisions of Section 204 and other applicable provisions of the Act, if any, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, every listed company is required to annex with its Board's Report, a Secretarial Audit Report given by a Company Secretary in Practice.

Further, pursuant to recent amendments to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), every listed entity shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary, and the appointment of such Secretarial Auditor shall be approved by the Members of the Company at the Annual General Meeting.

The Board of Directors of the Company, at its meeting held on 27<sup>th</sup> May 2025, on the recommendation(s) of the Audit Committee has, after taking into account various proposals and factors such as independence, industry experience, audit team, competency and Company's previous experience based on the evaluation of the quality of audit work done by them in the past, recommended the appointment of Jigar Vyas & Associates as the Secretarial Auditors of the Company, to the Members at the ensuing AGM for a term of five (5) consecutive years commencing from Financial Year 2025-26 to Financial Year 2029-30, subject to the approval of the Members.

As required under the SEBI Listing Regulations, Jigar Vyas & Associates holds a valid certificate issued by the Peer Review Board of ICSI. Jigar Vyas & Associates has consented to its appointment as Secretarial Auditors of the Company. They have confirmed that they do not incur any disqualification for appointment, as outlined in the SEBI circular dated 31<sup>st</sup> December, 2024 and that their appointment, if made, shall be in accordance with Section 204 and other applicable provisions of the Act, rules framed thereunder and the applicable provisions of the SEBI Listing Regulations.

Jigar Vyas & Associates, Practicing Company Secretaries have over 10 years of experience in delivering comprehensive professional services which includes conducting Secretarial Audits, Due Diligence Audits, Compliance Audit etc.

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

The Board recommends the Ordinary Resolution set out at Item No. 4 of this Notice for approval by the members.

By Order of the Board of Directors

**Place: Surat**

**Date: 25<sup>th</sup> July, 2025**

**Mahek Gaurav Jaju**  
Company Secretary and  
Compliance Officer

**DISCLOSURE RELATING TO DIRECTOR PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015 AND SECRETARIAL STANDARDS-2 ON GENERAL MEETINGS.**

<b>Name of the Director</b>	<b>Mr. Suhail P. Shah</b>	<b>Mr. Alok P. Shah</b>
<b>Director Identification Number (DIN)</b>	00719002	00218180
<b>Date of birth and age</b>	01-09-1974 (51 years)	11/09/1970 (55 years)
<b>Nationality</b>	Indian	Indian
<b>Date of appointment on Board</b>	Appointed as Member of the Board on 01/09/2023	Appointed as Member of the Board on 29/06/2022
<b>Qualification</b>	Ph.D. in Theoretical Physical Chemistry M.S. in Physical Chemistry	Graduate in Electrical Engineering from Stanford University and has an M.B.A. (Finance, General Management and Economics) from University of Chicago, USA.
<b>Expertise in specific Functional areas</b>	He has to his credit various research accomplishments, computational skills and publications at the international level. He has more than 10 years of experience in research with various universities of international repute.	He has wide exposure and knowledge in project appraisal, assessing technical feasibility in respect of projects, corporate finance & management etc.
<b>Terms and Conditions of appointment/re-appointment and proposed remuneration to be paid</b>	Not Applicable	Terms and conditions of his appointment and proposed remuneration are as per the Nomination and Remuneration Policy of the Company and as specified in the resolution set out at Item no. 3 of the Notice read with explanatory statement thereof.
<b>Remuneration last drawn (Rs. In Lakhs)</b>	Rs.3.00 Lakhs	Rs. 4.80 Lakhs
<b>Shareholding in the Company including shareholding as a beneficial owner</b>	5,60,73,365 Equity Shares of Rs.1 each fully paid up comprising of about 25.25% of the paid-up capital of the Company.	8,93,81,990 Equity Shares of Rs.1 each fully paid up comprising of about 40.25% of the paid-up capital of the Company.
<b>Number of Board Meetings attended during the financial year 2024-25</b>	5 (Five)	5 (Five)
<b>Directorship in other Public Limited Companies</b>	Bijlee Textiles Ltd. Palomar Textiles Ltd. Prabhat Silk Mills Ltd. Rosekamal Textile Ltd. Globale Textile Market Holdings Ltd.	Bijlee Textiles Ltd. Palomar Textiles Ltd. Prabhat Silk Mills Ltd. Rosekamal Textile Ltd.
<b>Memberships / Chairmanship of committees in other public limited Companies</b>	Nil	Nil
<b>Relationship with other Directors, Managers and other Key Managerial Personnel of the Company</b>	Brother of Mr. Alok P. Shah, Managing Director. He is not related to any other Director / Key Managerial Personnel.	Brother of Mr. Suhail P. Shah, Wholetime Director. He is not related to any other Director / Key Managerial Personnel.
<b>Listed entities from which the Director has resigned in the past three years</b>	NIL	NIL

**INFORMATION AT A GLANCE:**

Sr. No.	Particulars	Details of access
1	<b>Day, date and time of AGM</b>	Friday, 12 <sup>th</sup> September 2025 at 3.30 p.m. IST
2	<b>Mode</b>	Through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”)
3	<b>Cut-off date for e-voting</b>	Friday, 5 <sup>th</sup> September 2025
4	<b>Time period for remote e-voting</b>	Commences on Tuesday, 9 <sup>th</sup> September 2025 (9.00 a.m. IST) and ends on Thursday, 11 <sup>th</sup> September 2025 (5.00 p.m. IST)
5	<b>Helpline number for VC participation and e-voting</b>	<p>Contact KFin Technologies Limited at 1800 309 4001 or write to them at <a href="mailto:emeetings@kfintech.com">emeetings@kfintech.com</a></p> <p>Contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at <b>022 – 4866 7000</b> or toll free no: <b>1800 102 0990</b></p> <p>Contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting @cdslindia.com</a> or contact at <b>1800 210 9911</b></p>
6	<b>Link for remote e-voting</b>	<a href="https://evoting.kfintech.com">https://evoting.kfintech.com</a>
7	<b>Link for posting AGM queries and speaker registration and period of registration</b>	<a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a> by using e-voting credentials and click on “post your queries” / “Speaker registration” as the case may be. Period of registration: <b>Monday, 8<sup>th</sup> September 2025 (9:00 a.m. IST) to Wednesday, 10<sup>th</sup> September 2025 (5:00 p.m. IST).</b>
8	<b>Link for participation through VC / OAVM</b>	<a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a> by using e-voting credentials and click on video conference
9	<b>Username and password for VC</b>	Members may attend the AGM through VC by accessing the link <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a> by using the remote e-voting credentials. Please refer the instructions provided in this Notice for further information.
10	<b>Book closure dates</b>	<b>Monday, 8<sup>th</sup> September 2025 to Friday, 12<sup>th</sup> September 2025</b> (both days inclusive)
11	<b>Registrar and Transfer Agent contact details</b>	KFin Technologies Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 Tel: 1800 309 4001 Website: <a href="http://www.kfintech.com">www.kfintech.com</a>
12	<b>Surat Trade and Mercantile Limited – contact details</b>	<b>Registered Office:</b> Tulsi Krupa Arcade, 6 <sup>th</sup> Floor, Puna Kumbharia Road, Dumbhal, Surat 395010 Tel.: 0261 – 2311198 Email: <a href="mailto:shareddepartment@stml.in">shareddepartment@stml.in</a>

## DIRECTORS' REPORT & MANAGEMENT'S DISCUSSION AND ANALYSIS

### TO THE MEMBERS OF SURAT TRADE AND MERCANTILE LIMITED

The Directors hereby present their 79<sup>th</sup> Annual Report on the performance of Surat Trade and Mercantile Limited ('the Company') together with the Audited Financial Statements for the Financial Year (FY) ended 31<sup>st</sup> March 2025. The Management's Discussion and Analysis Report as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this report.

### FINANCIAL HIGHLIGHTS

The summarised financial highlights are depicted below:

(Rs. in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2025	Year ended 31 <sup>st</sup> March, 2024
Revenue from Operations	6863.70	6056.37
Other income	1482.44	1945.99
Total Income	8346.14	8002.36
Operating Profit/(Loss) / EBITDA (including other income)	996.35	1384.71
Less: Finance Costs	16.11	5.00
Profit before Depreciation & Amortisation Expenses	980.24	1379.71
Less: Depreciation & Amortisation Expenses	51.65	32.44
Profit before tax	928.59	1347.27

### REVIEW OF OPERATIONS

The Company is engaged in commodity trading activities as part of its core business operations. During the year under review, the Company actively participated in the trading of various metals, in particular silver and copper.

Your Company during FY 25, increased the volume of business activities of trading in commodities and deployed additional funds in the related segment in a phased manner after proper evaluation of potential external risk factors, and the overall business scenario.

Commodity trading involves buying and selling goods such as metals, energy, and agricultural products. It can be done through futures contracts on exchanges, allowing traders to speculate on price movements or hedge against them.

The global and domestic commodity markets were subject to significant fluctuations during the year, influenced by factors such as geopolitical events, weather conditions, central bank activities, market sentiments, supply chain disruptions, etc. Owing to its hedging policy, the Company's performance in commodity trading was minimally impacted by these volatile market conditions.

Despite the prevailing adverse scenario, your Company achieved Income from Operations of Rs. 68.64 Crore during FY 25, from the Commodity trading business as compared to Rs. 60.56 Crore in FY 24, an increase of about 13.34%.

Other Income which represents earning from Investments in Mutual Funds, AIF etc., declined in FY 25 at Rs. 14.82 crore as compared to Rs. 19.46 crore earned during FY 24. This was primarily on account of lower returns in financial markets (due to geo-political and trade-related uncertainties, especially in Q4 FY 25), relative to the bull market of FY 24. To reduce volatility and probably increase returns, greater investment allocation will be made to high performance credit AIFs (alternative investment funds) whose performance has remained strong in FY 25.

#### Dividend

With a view to conserve the resources for future growth, the directors of the Company have decided not to recommend any dividend on equity shares of the Company for the year ended 31<sup>st</sup> March 2025.



### Transfer to Reserves

Your directors do not propose to transfer any amount to the reserves and decided to retain the entire profit for FY25 in the retained earnings.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

### Indian Economic Overview

India's economy hit a four-year low of 6.5 per cent, lifted by an impressive fourth quarter growth at 7.4%. The Reserve Bank of India had projected 6.5 per cent GDP growth for the fiscal year 2024-25.

Manufacturing sector's share in India's economic growth remained steady in the last decade, moving to 17.3% in FY 24 from 17.2% in FY 14. This steady growth highlights the sector's increasing role in India's economic landscape.

The agriculture sector received a boost through several schemes and incentives, driving a gradual recovery in financial year 2024-25. Increased grassroots-level structural reforms and a focus on deregulation are expected to bolster medium-term growth and competitiveness.

The Government's reforms aimed at boosting manufacturing, enhancing productivity and improving ease of doing business will play a crucial role in ensuring long-term sustainable growth. Within this, private consumption will play an important role.

India has displayed steady and robust economic growth while facing global challenges and geopolitical concerns and it continues to maintain its position as the fastest-growing major economy.

### Industry Scenario

Global commodity prices are forecast on average to fall in 2025 and perhaps also in 2026, by many leading commodity forecasters. This applies to metals and minerals too. The reasons include a slowdown in global economic growth, and expanded supply for certain metals. If realized, these declines will end a period of elevated inflation-adjusted commodity prices in the aftermath of the COVID-19 pandemic and Russia's invasion of Ukraine.

Global growth prospects will strengthen if trade tensions ease in a lasting manner implying a more robust outlook for commodity demand.

### Opportunities, Challenges, Threats, Risks and Concerns

A 6.5% GDP growth for FY26 is feasible for India despite global headwinds like the twin shocks of geopolitical tensions and trade policy uncertainties.

The economy has been reporting softer consumption in some of the past quarters, however there are many domestic tailwinds such as strong and diversified FDI inflows, low inflation, interest rate reduction and expected further policy rate cuts, and an anticipated good monsoon. Measures in the last budget like rising capital expenditure, tax reduction may raise both rural and urban demand and increase investment, consumption and some push to exports as well. India is also poised to benefit from supply chain realignments.

These factors should increase the market for commodities in India, resulting in better opportunities for your company, irrespective whether prices increase or decrease.

Tensions between Indian and Pakistan escalated following the terrorist attack on 26 tourists in Pahalgam in Jammu and Kashmir in April. Conflict with our neighbour, in addition to unresolved wars in Russia/Ukraine and the Middle East, pose a risk to the GDP forecast and business conditions.

On April 2, the US imposed a reciprocal tariff of 26% on imports from India. Key sectors such as pharmaceuticals, electronics, semiconductors, and energy were exempted from the duty. The US President later announced a 90 day pause on the tariff implementation until July 9, although a baseline tariff of 10% remains in place.

Initial tariff imposition deadlines, set for April, were pushed back to July after US President said negotiations had begun with various trading partners, including China. To pre-empt a growth slack, the RBI has already lowered the benchmark repo rate – the rate at which it lends to banks – by a cumulative 100 bps to 5.5% since February. Continued low inflation is expected to bring down interest rates further. In the coming times, there exists potential for the Company to expand its commodity activity and profitably trade in gold.

Commodities are inherently volatile and risky assets, however, the Company employs a robust risk management framework to mitigate potential losses arising from price volatility and other market risks during its relatively short trading horizon. This includes hedging, product diversification where possible, etc. The Company's risk management policies and procedures are reviewed and updated periodically to adapt to changing market dynamics. The strong economy is expected to enable good returns going forward in both equity and debt related investment activities of the company.

It may be noted that acute policy uncertainty and deteriorating trade relations between major economies, and in particular involving India, are downside risks to growth and business prospects. If trade tensions escalate further, consumer and business confidence will likely continue to decline, while the tightening of financial conditions may intensify.

### Business Outlook

Despite the recently lowered global growth projections, owing to tariff and policy uncertainties presented by the US, and geopolitical concerns involving sanctions, restriction of exports of sensitive goods by certain countries, and potential conflicts, India is still expected to grow around 6.5% in FY 26 by most forecasters, and is expected to remain the fastest growing major economy.

The ongoing uncertainties however are expected to lead to significant volatility in commodity prices. Increasing geopolitical and policy uncertainties, and conflicts may drive up prices of gold and silver, and vice-versa, all else equal. Central banks have been buying gold, but if conditions improve this may not continue resulting in a potential drop in gold prices. Silver still looks relatively cheap compared to gold and could do comparatively better. Citi group and Economic Survey of India forecasts a dip in the gold prices, whereas silver remains in short supply as it finds growing demand in the solar power, electronics and electrification. A Chinese economic recovery could provide additional support for industrial metals, including silver.

The price of Silver has gone up by 18-19% In the calendar year 2024, Even for this year (2025) till June, it has appreciated by 21%. Silver has faced a supply deficit for four consecutive years, driven by tight supply and robust demand. It may create attractive buying opportunities.

The Company remains optimistic about the long-term prospects of commodity trading, despite the inherent volatility, increased demand, potential price increases, or regulatory changes etc. The Company will continue to explore new markets, optimize trading strategies, etc. to enhance its performance in this sector.

India is expected to do well relative to the global economy owing to strong domestic demand, substantial infrastructure development initiatives, a spike in rural demand and effective government policy measures.

Rural consumption is picking up on the back of sustained agricultural growth of 4.6% in the last six years. Private consumption is expected to benefit from tax cuts, and the improving implementation of public investments plans should boost government investment, but export demand

may be constrained by shifts in trade policy and slowing growth.

The higher disposable incomes to the middle class, the rate cuts, the accommodative monetary policy and the enhanced liquidity in the banking system, is expected to boost growth in times of external uncertainties.

The focus of the Budget on longer term development drivers and reforms, anchored around the ambition of 'Viksit Bharat', adds to the confidence in domestic economic resilience.

The government is putting a lot of hard work on free trade agreements (FTAs). The India – UK FTAs concluded recently is historic and we are expecting two more, one with the EU and other with the US. These are very significant as it will help us integrate with global value chains which constitute 70% of global trade.

### Share Capital

As on 31<sup>st</sup> March 2025, the paid-up share capital of the Company stood at Rs. 2220.64 Lakhs consisting of 22,20,64,440 equity shares of Rs.1 each fully paid up. Out of the above, the Promoters held 15, 20, 04,917 equity shares comprising 68.45% of the equity share capital of the Company. There was neither any change in the share capital of the Company nor was there any change in the shareholding of the Promoter of the Company during the year.

### Subsidiary, Joint Venture and Associate Companies

The Company has no subsidiary / joint venture / associates for the financial year ended 31<sup>st</sup> March 2025. Accordingly, the requirements pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is not applicable.

The policy for determining material subsidiaries formulated by the Board of Directors is disclosed on the website of the Company and can be accessed at <https://www.stml.in>

### Internal Control Systems & their adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

The certification provided in the CEO and CFO certification section of the Annual Report discusses the adequacy of our Internal Control System and procedures.

### Resources and Liquidity

Our principal sources of liquidity are cash and cash equivalents, investments and the cash flow that we generate from our operations. We understand that liquidity in the Balance Sheet has to balance between earning adequate returns and the need to cover financial and business requirements. We continue to be debt-free and maintain adequate liquidity to meet our operational requirements.

There was no outstanding term loan at the beginning or at the end of financial year 2024-25. No fresh Term Loan was availed by the Company during the year. The Company has not availed any working capital facility from Banks during the year.

### Directors and Key Managerial Personnel

#### Directors

#### Re-appointment/appointment of Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the rules made thereunder and the Articles of Association of your Company, Mr. Suhail P. Shah (DIN: 00719002) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Based on the recommendations of the Nomination and Remuneration Committee, the Board recommends the re-appointment of Mr. Suhail P. Shah as Director for your approval.

The Shareholders of the Company at the 76<sup>th</sup> AGM held on 13<sup>th</sup> September 2022 approved the appointment of Mr. Alok P. Shah (DIN: 00218180) as Managing Director of the Company for a period of 3 years with effect from 1<sup>st</sup> July 2022.

Based on the recommendation of the Nomination and Remuneration Committee and subject to approval of the shareholders at the ensuing AGM, the board of directors of the Company at their meeting held on 27<sup>th</sup> May 2025 approved the re-appointment of Mr. Alok P. Shah as Managing Director of the Company for a period of 5(five) years with effect from 1<sup>st</sup> July 2025.

#### Cessation

During the year under review, Mr. Ketan Jariwala (DIN: 02095540) ceased to be an Independent Director of the Company on completion of his tenure with effect from 10<sup>th</sup> August 2024. The Board places on record its appreciation for her invaluable contribution and guidance during his tenure as an Independent Director.

Necessary Resolutions for the appointment/re-appointment of the aforesaid Directors have been included in the notice convening the ensuing AGM. The Board recommends their appointment/re-appointment.

Brief details as required under Secretarial Standard-2 and under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to directors being appointed / re-appointed, are provided as an annexure to the Notice convening the 79<sup>th</sup> AGM.

### Key Managerial Personnel (KMP)

As on the date of this report, following are the Key Managerial Personnel ("KMPs") of your Company as per Sections 2(51) and 203 of the Act:

1. Mr. Alok P. Shah, Managing Director
2. Mr. Paresh V. Chothani, Wholetime Director
3. Mr. Suhail P. Shah, Wholetime Director
4. Mr. Chandresh S. Punjabi, Chief Financial Officer
5. Ms. Mahek Gaurav Jaju, Company Secretary

During the year under review, there were no changes in the KMP of the Company.

### Independent Directors

In terms of Section 149 of the Act, Ms. Kruti Kothari, Mr. Deepak N. Shah and Mr. Manish J. Gandhi are the Independent Directors of the Company.

In terms of Regulation 25(8) of the Listing Regulations, all IDs have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impact their ability to discharge their duties. The Directors have further confirmed that they are not debarred from holding the office of the director under any SEBI Order or any other such authority. Based upon the declarations received from the IDs, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as IDs of the Company and the Board is satisfied of the integrity, expertise and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all IDs on the Board.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committees of the Company.

The Appointment and Tenure of the Independent Directors, including code for Independent Directors, are available on the website of the Company, [www.stml.in](http://www.stml.in).

### Separate Meeting of Independent Directors

In terms of requirements under Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on 11<sup>th</sup> February 2025.

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

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

### Familiarization / Orientation program for Independent Directors

In terms of Regulation 25(7) of the Regulations, the Company has adopted a familiarization programme for the Independent Directors to familiarize them with working of the Company, nature of the industry in which the Company operates, business model of the Company, their roles, rights, responsibilities and other relevant details.

These programmes aim to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

Pursuant to Regulation 46, the details required are available on the website of your Company at '<http://www.stml.in/policies.aspx>'.

### Number of meetings of the Board

During the financial year 2024-25, 5 (five) Board Meetings were held on the following dates 24<sup>th</sup> May 2024, 27<sup>th</sup> June 2024, 8<sup>th</sup> August 2024, 13<sup>th</sup> November 2024 and 11<sup>th</sup> February 2025. The gap between any two meetings was not more than one hundred twenty days as mandated under the provisions of Section 173 of the Companies Act, 2013 and Regulation 17(2) of the SEBI Regulations.

### Committees of the Board

As required under the Companies Act, 2013 and the SEBI Listing Regulations, your Company has constituted various Statutory Committees. As on 31<sup>st</sup> March 2025, the Board had four committees: the audit committee, the corporate social responsibility committee, the nomination and remuneration committee and stakeholder's relationship committee. During the year, all recommendations made by the committees were approved by the Board. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report.

### Composition of the Audit Committee

The Audit Committee comprises of Mr. Deepak N. Shah as its Chairperson, Ms. Kruti Kothari and Mr. Manish J. Gandhi all of whom are Independent Directors as members. More details on the Committee are given in the Report on Corporate Governance.

### Board Evaluation

Pursuant to the provisions of the Companies Act 2013 and Regulation 17(10), the Board has devised a policy on evaluation of performance of Board of Directors, Committees and Individual directors. The policy is also in compliance to Regulation 19 read with Schedule II, Part D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee has defined the evaluation criteria for the Performance Evaluation of the Board, its committees and individual Directors.

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

The performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated at separate meetings of Independent Directors. The same was also discussed in the meetings of NRC and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The Nomination and Remuneration Committee has established a framework for the evaluation process of performance of the Board, its Committees and Individual Directors and the same was adopted by the Board.

During the period under review, the Board of Directors have carried out the evaluation of the performance of Independent Directors and their independence criteria and the Independent Directors in their meeting held on 11<sup>th</sup> February, 2025 have evaluated the performance of the Chairman and Non-Independent Directors and the Board as a whole and also assessed the quality, quantity and timeliness of flow of information between the Board and Company management.

#### **Code of Conduct for Directors and Senior Management**

All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2024-25. A declaration to this effect signed by the Managing Director of the Company is contained in this Annual Report. The Managing Director and CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) of the SEBI Listing Regulations, 2015.

#### **Code for Prevention of Insider Trading**

Your Company has adopted a Code of Conduct to regulate, monitor and report trading by designated persons and their immediate relatives as per the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information which has been made available on the Company's website at '<http://www.stml.in/policies.aspx>'.

#### **Procedure for Nomination, Appointment & Remuneration of Directors**

The Nomination and Remuneration Committee (NRC) has been mandated to oversee and develop competency requirements for the Board based on the industry requirements and business strategy of the Company. The NRC reviews and evaluates the profiles of potential candidates for appointment of Directors and meets them prior to making recommendations of their nomination to the Board.

Directors are appointed / re-appointed with the approval of the Members for a term in accordance with the provisions of the law and the Articles of Association. The initial appointment of Managing / Wholtime Director is generally for a period of 3-5 years. All Directors other than Independent Directors are liable to retire by rotation unless otherwise specifically provided under the Articles of Association or under any statute. One-third of the Directors who are liable to retire by rotation, retire at every Annual General Meeting and are eligible for re-appointment.

Disclosures of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, are provided as "**Annexure C**".

None of the directors or Managing Director of the Company received any remuneration or commission from Subsidiary Companies of your Company.

The detail of remuneration paid to the Directors including the Managing Director of the Company is provided in Corporate Governance Report.

#### **Auditors**

##### **Statutory auditors**

At the 76<sup>th</sup> AGM held on 13<sup>th</sup> September 2022, the Members approved the re-appointment of M/s Sharp and Tannan Associates, Chartered Accountants (ICAI Firm Registration Number 109983W), as the Statutory Auditors of the Company for a second term of 5 years commencing from the conclusion of the 76<sup>th</sup> AGM till the conclusion of the 81<sup>st</sup> AGM to be held in the year 2027.

As required under the SEBI Listing Regulations, the Statutory Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. Further, pursuant to Section 139 of the Companies Act, 2013, the Company has obtained certificate from them to the effect that their continued appointment would be in accordance with the conditions prescribed under the Act and the Rules made thereunder, as may be applicable.

The report of M/s Sharp & Tannan Associates, Chartered Accountants (ICAI Registration No. 109983W), the Statutory Auditors of the Company on the financial statements of the Company for the year ended 31<sup>st</sup> March 2025 is annexed to the financial statements in terms of the provisions of Section 134(2) of the Companies Act, 2013.

The Statutory Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimers. The Statutory Auditors of the Company have not reported any fraud to the Audit Committee of Directors as specified under Section 143(12) of the Act, during the year under review.

The Statutory Auditors were present in the last AGM.



### Cost records and cost audit

Consequent to the sale / transfer of assets of Jolwa Manufacturing division in April 2022 and no other manufacturing activity in operation, maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company for the FY 2024-25.

### Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year 2024-25 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by Mr. Jigar Vyas Practicing Company Secretary (ICSI Membership No. FCS 8019) has been submitted to the Stock Exchanges within the stipulated time, in compliance with the provisions of the Regulation 24A of SEBI (LODR) Regulations, 2015.

### Secretarial Audit

In terms of Section 204 of the Act and Rules made thereunder, Jigar Vyas & Associates, Practicing Company Secretaries (Firm Registration No. S2015GJ307200) were appointed as Secretarial Auditors of the Company to carry out the Secretarial Audit for FY 2024-25. The Secretarial Audit Report of the Company for the Financial Year ended 31 March 2025 in the prescribed form MR-3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure - "D"** to this report. There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditors in their Report.

Further, in terms of Section 204 of the Act and Regulation 24A of the SEBI Listing Regulations, the Board of Directors has, on the recommendation of the Audit Committee, approved the appointment of Jigar Vyas & Associates, as the Secretarial Auditors of the Company, to hold office for a term of five (5) consecutive years with effect from financial year 2025-26 to financial year 2029-30, subject to approval of the Members of the Company at the ensuing AGM. Accordingly, a resolution seeking Members' approval for appointment of Secretarial Auditors of the Company forms part of the Notice of the 79<sup>th</sup> AGM forming part of this Annual Report.

### Secretarial Standards

During the year under review, your Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India (as amended).

### Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and Rules made thereunder the Board of Directors of the Company have appointed M/s M/s K. S. Jagirdar & Co., (ICAI Membership No.036904), Chartered Accountants as Internal Auditors of the Company, for the financial year 2024-25.

The Internal Audit department carries out risk-focused audits across all locations, enabling identification of areas where risk management processes may need to be strengthened. Significant audit observations and corrective action plans are presented to the Audit Committee.

The audit committee in consultation with the Internal Auditor formulates the scope, functioning, periodicity and methodology for conducting the internal audit.

### Directors' Responsibility Statement

Pursuant to the requirements of Section 134(1)(c) read with Section 134(5) of the Companies Act, 2013 and on the basis of explanation and compliance certificate given by the executives of the Company, and subject to disclosures in the Annual Accounts and also on the basis of discussions with the Statutory Auditors of the Company from time to time, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2024-25.

Accordingly, pursuant to Sections 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March 2025, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) they 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 of the Company at the end of the Financial Year and of the loss of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the Annual Accounts for the Financial Year ended 31st March 2025 on a going concern basis;

- (e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Corporate Governance Report

Your Company is in compliance with all the applicable provisions of Corporate Governance as stipulated under Chapter IV of the Listing Regulations. The Report on Corporate Governance as stipulated under Schedule V(C) of the Regulations is provided in a separate section as '**Annexure G**' and forms part of this Report. The required certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in the Regulation 34 of the Listing Regulations, is annexed to this Annual Report.

### Corporate Social Responsibility (CSR)

In terms of the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee ("CSR Committee") is in existence to monitor the Corporate Social Responsibility Policy of the Company as approved by the Board and the said policy is available on the official website of the Company i.e., <http://www.stml.in/> under the link: <http://www.stml.in/policies.aspx>.

Consequent to the retirement of Mr. Ketan A. Jariwala as member of the the CSR Committee, Mr. Manish J. Gandhi was inducted as member of the Committee with effect from 8<sup>th</sup> August 2024. The present members of the CSR Committee comprise of Mr. Deepak N. Shah as the Chairman, Mr. Paresh V. Chothani and Mr. Manish J. Gandhi as Members. The CSR Committee met on 28<sup>th</sup> March 2025 to review the Corporate Social Responsibility Policy.

The Company works primarily towards supporting projects in the areas of protection of national heritage, restoration of historical sites, and promotion of art and culture; environmental sustainability and ecological balance; promoting education etc.

During the year under review, your Company spent Rs. 10.60 Lakhs on CSR activities. The average net profit for the past three financial years was Rs 529.75 Lakhs.

Annual Report on mandatory CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is given in '**Annexure A**' forms integral part of this Report.

### Related Party Transactions

The Company has formulated a policy on the materiality of Related Party Transactions and dealing with Related Party Transactions which has been uploaded on the Company's website which can be accessed at following link '<http://www.stml.in/policies.aspx>'.

All Related Party Transactions that were entered into during the Financial Year under review were on an arm's length basis and in the ordinary course of business and are in compliance with the applicable provisions of the Act and the Listing Regulations.

The statement giving details of all Related Party Transactions are placed before the audit committee / the Board for review and approval on a quarterly basis

In terms of Regulation 23 of the SEBI Listing Regulations, the Company submits details of related party transactions on a consolidated basis as per the format specified in the relevant accounting standards to the stock exchanges on a half-yearly basis.

Your Directors draw attention of the members to Note No. 35 to the notes to accounts forming part of the financial statements which sets out related party transaction disclosures.

During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Policy on Materiality of Related Party Transactions.

Details of transactions with Related Parties as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in '**Annexure E**' in Form AOC - 2 forms integral part of this Report.

### Internal Control Systems & their adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

The certification provided in the CEO and CFO certification section of the Annual Report discusses the adequacy of our Internal Control System and procedures.



### Internal Financial Control System and their Adequacy

Internal Financial Control systems of the Company are commensurate with its size and the nature of its operations. The controls are adequate for ensuring the orderly and efficient conduct of the business, including adherence to the Company's policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial information. The internal audit report is discussed with the Management and members of the Audit Committee to keep a check on the existing systems and take corrective action to further enhance the control measures.

The internal auditors of the Company have in compliance with provisions of Section 177 (4) of the Companies Act, 2013 confirmed to the Audit Committee that the Company has adequate Internal Financial Controls, and the systems of risk management are robust and defensible.

Statutory Auditors of the Company have in their Report dated 27<sup>th</sup> May 2025 opined that the Company has, in all material respects adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2025.

### Material changes and commitments

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments which can affect the financial position of the Company that have occurred between the end of the financial year to which the Financial Statements relate and the date of this Report.

### Board policies

The details of the policies approved and adopted by the Board as required under the Companies Act, 2013 and Securities and Exchange Board of India (SEBI) regulations are provided in Corporate Governance Report.

### Policy on Directors' Appointment and Remuneration

In terms of the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the Regulations, Nomination and Remuneration Committee ('NRC') has formulated a policy relating to appointment and determination of the remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel which has been adopted by the Board of Directors of the Company. The NRC has also developed the criteria for determining the qualifications, positive attributes and independence of Directors and for making payments to the Executive and Non-Executive Directors of the Company.

Your directors affirm that the remuneration paid to the Directors, Key Managerial Personnel, Senior Management Personnel and other employees is as per the Nomination and Remuneration Policy of your Company. The said policy is available on the official website of the Company i.e. '<http://www.stml.in/policies.aspx>'.

### Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) and the rules made thereunder. The Company has zero tolerance for sexual harassment at workplace.

The Policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

Pursuant to Section 21 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has constituted Internal Complaints Committee (ICC) where any grievance of sexual harassment at workplace can be reported.

During the year under review, your Directors have not received any complaint of sexual harassment from the IC. Moreover, there were neither any complaint pending at the beginning of the year nor were there any complaints that remained pending as at the end of the year.

The Policy of the "Prevention of Sexual Harassment of Women at Workplace" of the Company is available on the website of the Company at <http://www.stml.in/policies.aspx>.

### Disclosure for compliance with other statutory laws

- (a) In compliance with Rule 8(5)(xiii) of the Companies (Accounts) Second Amendment Rules, 2025, the Board hereby confirms that the Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Details of the Sexual Harassment complaints during the financial year ended 31<sup>st</sup> March 2025 are as under:

Particulars	Number of Complaints
Number of Sexual Harassment Complaints received	NIL
Number of Sexual Harassment Complaints disposed off	NIL
Number of Sexual Harassment Complaints pending beyond 90 days	NIL

- (b) The Board hereby confirms that the Company has complied with the applicable provisions of Maternity Benefit Act.

### Indian Accounting Standard (Ind AS)/Financial Statements

Your Company follows Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs in the preparation of its financial statements. Your Company has consistently applied applicable accounting policies during the year under review. Management evaluates all recently issued or revised accounting standards on an ongoing basis. The Company discloses its financial results on a quarterly basis which are subjected to limited review and publishes audited financial results on an annual basis.

The financial statements for the year ended 31 March 2025 have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as required under the provisions of Section 133 of the Companies Act, 2013 read with rules made there under, as amended.

### Particulars of Employees and Related Disclosures

Information regarding employees in accordance with the provisions of Rule 5(2) and Rule 5(3) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure- "B" to this Report.

### Whistle Blower Policy / Vigil Mechanism

In terms of the provisions of Section 177 of the Companies Act, 2013 and the Regulations, the Company has established an effective mechanism called Vigil Mechanism (Whistle Blower Mechanism). The purpose of this policy is to provide a framework to promote responsible whistle blowing by employees or by any other person who avails such mechanism. It protects employees or any other person who avails such mechanism wishing to raise a concern about serious irregularities, unethical behaviour, actual or suspected fraud within the Company by reporting the same to the Audit Committee.

The functioning of the Whistle Blower Mechanism/Vigil Mechanism existing in the Company is reviewed by the Audit Committee on Annual basis. During the year under review, no compliant has been received and no employee was denied access to the Audit Committee. The Whistle Blower Policy has been posted on the Website of the Company at '<http://www.stml.in>'.

### Reporting of Fraud

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instance of fraud committed in the Company by its officers or employees to the Audit Committee under Section 143(12) of the Act, details of which need to be mentioned in this Report.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo

Your Company during April 2022, disposed of all its assets of its manufacturing division located at Village Jolwa, Taluka Palsana, Dist, Surat and discontinued its business of manufacturing of Polyester Chips and Yarns. The management after considering various options for possible alternate business commenced the new activities of Trading in Commodities and other Commodity related business from 3<sup>rd</sup> quarter of FY 23. Therefore, there are no reportable details relating to conservation of energy or technology absorption. There were no foreign exchange earnings or outgo during the year under review.

### CEO and CFO certification.

Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Managing Director and CFO Certification forms part of the Annual Report. Managing Director and CFO also provide quarterly certification on financial results, while placing the financial results before the Board in terms of the Listing Regulations.

### Health, safety and environment

Your Company believe that organisations' sustainability is directly proportional to the safety, health and environment management. We endeavour to demonstrate environmental and social responsibility at every step.

We are devoted to benefit communities – workforce, public and environment. Our safety, health and environment objectives include complying with all applicable laws relevant to the industry. The Management believes in sharing responsibility throughout the hierarchy in conforming to the existing laws.

The Company obtained necessary approvals from concerned Government Department / Pollution Control Board and all required environment clearances / safety clearances / stipulations are complied with at Plant facilities of the Company.

### **Industrial Relations / Human Resources**

During the year under review, the Company continued to have cordial and peaceful. There were total 26 employees (including Managing / Wholetime Directors) which comprises of 2 Female and 24 Male members as at 31<sup>st</sup> March 2025.

### **Green Initiatives**

In commitment to keep in line with the Green Initiatives and going beyond it, the Notice of 78<sup>th</sup> Annual General Meeting of the Company including the Annual Report for FY 2024-25 are being sent to all Members whose e-mail addresses are registered with the Company / Depository Participant(s).

### **Code on Social Security**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified.

### **Risk Management**

Your Company periodically assesses the risks in the internal and external environment along with treating the risks and incorporates risk management plans in its strategy, business and operational plans. Your Company recognizes that the risk is an integral part of business and is committed to managing the risks in proactive and efficient manner.

The business plan for the future is devised and approved by the Board, keeping in mind the risk factors which can significantly impact the performance of the particular business. All major financial commitments are subject to scrutiny by the Board and investments are permitted only on being satisfied about its returns or utility to the Company. There are no risks which in the opinion of the Board threaten the existence of the Company.

### **Insurance**

The Company has taken all the necessary steps to insure its properties and insurable interests, as deemed appropriate and also as required under the various legislative enactments.

### **Public Deposits**

There were no outstanding deposits within the meaning of Section 73 and 74 of the Act read with rules made thereunder at the end of FY25 or the previous financial year. Your Company did not accept any deposit during the year under review.

### **Particulars of Loans, Guarantees and Investments**

During the period under review, the Company has not made any loan, guarantee or investment in terms of the provisions of Section 186 of the Companies Act, 2013.

### **Annual Return**

Pursuant to Section 92(3) and 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, the Annual Return for FY 2024-25 will be made available on the website of the Company at <https://www.stml.in/pdf/investorrelations/Annual-Return- MGT-24-25. pdf>

### **Agreement(s) binding the Company**

As required under Regulation 30A of Listing Regulations, the Company has to report that it has not been informed by any shareholders, promoters, promoter group entities, related parties, directors, KMPs or employees of the Company, who are purported to be parties to any agreements specified in Clause 5A of Paragraph A of Part A of Schedule III of the SEBI Listing Regulations, of having entered into any agreement or have signed any agreement to enter into such agreement to which the Company is not a party as at the end of the financial year. The Company further reports that there are no such agreement of the nature mentioned above that subsists on the date of coming into effect of the SEBI (LODR) (Second Amendment) Regulations, 2023.

### **Business Responsibility Report**

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ended 31<sup>st</sup> March 2025.

### **Key financial ratios**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes in key sector-specific financial ratios.

The Company has identified the following ratios as key financial ratios:

Sr. No.	Particulars	FY 2024-25	FY 2023-24
1	Current Ratio (times)	92.75	103.62
2	Debt Service Coverage Ratio (times)	23.31	59.87
3	Return on Equity Ratio (%)	5.53	4.52
4	Net Profit Ratio (%)	16.99	14.98
5	Return on Capital employed (%)	4.33	6.64
6	Return on Investment (%)	10.63	15.47
7	Inventory Turnover (times)	4.26	2.03

#### Note:

1. Debt-Equity Ratio, Trade Receivable Turnover Ratio, Trade Payable Turnover Ratio, Net Capital Turnover Ratio does not apply to the Company in absence of any Debt, Trade Receivable and Trade Payable.

#### General Disclosures

Your directors state that during the year under review:

1. Your Company did not issue any equity shares with differential rights as to dividend, voting or otherwise.
2. Your Company did not issue shares (Including sweat equity shares) to employees of your Company under any scheme.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and your Company's operation in future.
4. No application was made, and no proceeding was pending under the Insolvency and Bankruptcy Code, 2016.
5. There has been no change in the nature of business of the Company as on the date of this report.
6. No one time settlement of loan was obtained from the Banks or Financial Institutions.
7. There were no revisions made in the financial statements and Directors' Report of your Company

#### Forward Looking Statement

Certain statements made in the Directors Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, whether expressed or implied. Several factors could make significant difference to the Company's Operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, any epidemic or pandemic, natural calamities over which the Company may not have any direct / indirect control.

#### Acknowledgement

Your directors place on records their appreciation of the valuable co-operation extended to the Company by its Bankers and various authorities of the State and Central Government State & Central Government agencies.

Your directors also acknowledge with gratitude the support of customers, agents, suppliers, shareholders and all other stakeholders for their continued faith and support during these challenging times.

Your Board also take this opportunity to place on record its appreciation of the contribution made by the employees of the Company at all levels and last but not least, of the continued confidence reposed by you in the Management.

**For and on behalf of the Board of Directors**

**Alok P.Shah**

**Managing Director**

**DIN: 00218180**

**Surat, 25<sup>th</sup> July 2025**

## Annexure - A

### ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p><b>(a) Focus areas:</b></p> <p>The Company supports various bodies in carrying out activities in the areas of rural development, education, health care etc.</p> <p><b>(b) CSR Objectives:</b></p> <p>To attain its CSR objectives in a professional and integrated manner, the main objectives are:</p> <ul style="list-style-type: none"> <li>(i) To promote, carry out, support activities relating to Education and Training, Health care, Employment enhancing Vocational skills, Conversion of Natural Resources and Promotion &amp; Development of Art etc.</li> <li>(ii) To promote, carry out, support any activities covered in Schedule VII to the Companies Act, 2013 as amended from time to time.</li> <li>(iii) Ensuring protection and restoration of wildlife within the scope of operations</li> <li>(iv) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance of works of art.</li> </ul> <p>During The Financial Year 2024-25, the Company has contributed for activities undertaken by the Registered agency in compliance with the provisions of the Companies Act, 2013 for the above objectives <i>inter-alia</i> protection of national heritage, art and culture, promoting child education in tribal areas, conservation of national resources etc.</p> <p><b>(c)</b> Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014 and the various notifications / circulars issued by the Ministry of Corporate Affairs, the Company has also adopted a CSR policy in compliance with the aforesaid provisions and the same is placed on the Company's website at <a href="http://www.stml.in">www.stml.in</a></p>
2	Composition of CSR Committee	<p>The CSR Committee comprises the following members:</p> <ol style="list-style-type: none"> <li>1. Mr. Deepak N.Shah, Independent Director - Chairman</li> <li>2. Mr. Paresh V. Chotani, Wholetime Director - Member</li> <li>3. Mr. Manish G. Gandhi, Independent Director - Member</li> </ol> <p>During the financial year 2024-25, 1 (one) meeting of CSR Committee was held on 28<sup>th</sup> March, 2025. All the members attended the meeting.</p>

3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.	Web-Link to the CSR Policy: <a href="http://www.stml.in/policies.aspx">http://www.stml.in/policies.aspx</a>	
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable.	Not applicable.	
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any.	<b>Financial year</b>	<b>Amount available for set-off from preceding financial years</b>
		2021-22	Nil
		2022-23	Nil
		2023-24	Nil
6	Average Net Profit of the Company for last three financial years (as per Section 198 of the Companies Act, 2013)	Rs. 529.75 Lakhs	
7	Prescribed CSR Expenditure (two per cent of the amount as in item 6 above)	Rs.10.59 Lakhs	
8	Details of CSR spent during the financial year		
	(a) Total amount to be spent for the financial year.	Rs.10.59 Lakhs	
	(b) Amount unspent, if any.	Nil	
	(c) Manner in which the amount spent during the financial year.	The Company has spent an aggregate amount of Rs.10.60 Lakhs for promotion of national heritage, art and culture, and Conservation of natural resources etc.	
9	Excess Amount for set off, if any		
	(i) Two percent of average Net Profit of the Company as per Section 135(5) of the Act	Rs.10.59 Lakhs	
	(ii) Total amount spent for the Financial Year	Rs.10.60 Lakhs	
	(iii) Excess amount spent for the Financial Year [(ii)-(i)]	Rs.0.01 Lakhs	
	(iv) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable	

	(v)	Amount required to be set off in succeeding financial years [(iii)-(iv)]	Nil
10	(a)	Details of Unspent CSR Amount for the preceding three financial years.	Nil
	(b)	Details of CSR amount spent in the Financial Year for ongoing projects of the preceding financial year(s)	Nil
11		In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year.	Nil
12		Specify the reason(s), if the Company has failed to spend two per cent of the average Net Profit as per Section 135(5) of the Act.	Not applicable.

**Responsibility statement:**

The CSR Committee hereby confirms that the implementation and monitoring of CSR policy has been carried out with all reasonable care and diligence and the same is in compliance with the CSR objectives and the policy of the Company.

Surat  
25<sup>th</sup> July 2025

**Alok P. Shah**  
Managing Director  
(DIN 00218180)

**Deepak N. Shah**  
Chairperson - CSR Committee  
(DIN 07356807)



## Annexure - B

**Particulars of employees pursuant to Section 134(3)(q) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sr. No.	Requirement under Rule 5(1)	Details
1.	The Ratio of the remuneration of each executive Director to the median remuneration of the employees of the Company for the Financial Year.	(1) Mr. Alok P. Shah Managing Director: N.A. (2) Mr. Suhail P. Shah Wholetime Director & CFO: N.A. (3) Mr. Paresh V. Chothani Wholetime Director: N.A.
2.	The Percentage increase in remuneration of each Executive Director, Chief Financial Officer, Chief Executive Officer & Company Secretary in the financial year.	(1) Mr. Alok P. Shah Managing Director: No increment was proposed during the year. (2) Mr. Suhail P. Shah Wholetime Director: No increment was proposed during the year. (3) Mr. Paresh V. Chothani Wholetime Director: 7% (4) Ms. Mahek Gaurav Jaju, Company Secretary: 7% (5) Mr. Chandresh Punjabi: 10%
3.	The Percentage increase in the median remuneration of employees in the financial year.	7.01
4.	Number of Permanent Employees on the rolls of the Company as on 31 <sup>st</sup> March, 2025.	26
5.	The Explanation on the relationship between average increase in remuneration and Company performance.	Not applicable.
6.	Comparison of the remuneration of the Key Managerial Personnel ("KMP") (Individually and totally) against the performance of the company.	(i) Aggregate remuneration of Key Managerial Personnel in FY 2025 : Rs.52.90 Lakhs * (ii) Total revenue: Rs. 6863.70 Lakhs (iii) Remuneration of KMPs (as percentage of revenue): 0.77 (iv) Profit / (Loss) before tax: 928.59 Lakhs (v) Remuneration of KMPs (as percentage of PBT): 5.70 * Remuneration of KMPs includes Managing Director / Wholetime Director, Chief Financial Officer and Company Secretary.

Sr. No.	Requirement under Rule 5(1)	Details
7.	Average percentile increase made in the salaries of employees other than the managerial personnel in last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Not applicable.
8.	Justification for variation in the average percentile increase between Non-Manual employees and Managerial employees.	Not applicable.
9.	Key parameters for any viable component of remuneration availed by the Directors.	Not applicable.
10.	Ratio of the remuneration of the highest paid director to that the employees who are not directors but received in excess of the highest paid director during the year.	Not applicable.
11.	Affirmation that the remuneration is as per the remuneration policy of the company.	The Company affirms remuneration is as per the remuneration policy of the Company.
12.	Variations in the market capitalization.	Market capitalization as on 31/03/2025: Rs.135.46 Crore. Market capitalization as on 31/03/2024: Rs. 211.85 Crore.
13.	Price earnings ratio as at the closing of 31 <sup>st</sup> March, 2025 and 31 <sup>st</sup> March, 2024.	31/03/2025: 11.51 31/03/2024: 23.27
14.	Percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.	The Company has not made any public issue or rights issue of securities since last more than 20 years, so comparison have not been made.

**For and on behalf of the Board of Directors**

**Alok P. Shah**  
**Managing Director**  
**DIN: 00218180**

**Surat, 25<sup>th</sup> July, 2025**

## ANNEXURE: C

### **POLICY RELATING TO THE REMUNERATION FOR THE WHOLETIME DIRECTOR, NON-EXECUTIVE/INDEPENDENT DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

#### **General:**

1. The remuneration / compensation / commission etc. to the Wholetime Director, Non-Executive/ Independent Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval.

The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company.

2. The remuneration and commission to be paid to the Wholetime Director shall be in accordance with the percentage / slabs / conditions as per the provisions of the Companies Act, 2013, and the Rules made thereunder.
3. Increments to the existing remuneration / compensation structure linked to performance, should be clear and meet appropriate performance benchmarks and may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Wholetime Director.
4. The Committee does not propose to fix the actual amounts of remuneration that may be payable to each individual key managerial personnel or senior management personnel. However, the management, whilst fixing the remuneration of any such key personnel must consider the following:
  - a) The Industry practice for the same level of employment/office.
  - b) Past performance/seniority of the concerned appointee.

- c) The nature of duties and responsibilities cast upon such person by reason of his holding that office.
- d) The remuneration should be such that it provides adequate incentive to the person to give his best to the Company and feel essence of high satisfaction with his employment.
- e) The perquisites to be given to Wholetime Director/s, KMP & Senior Management Personnel will be as per industry practice and as may be recommended by the Committee to the Board.

#### **Remuneration to Wholetime Director, KMP and Senior Management Personnel:**

The Wholetime Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required, reflecting the short and long term performance objectives appropriate to the working of the Company and its goals.

#### **Remuneration to Non- Executive / Independent Director:**

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committees thereof as may be recommended by the Committee and approved by the Board provided that the amount of such fees shall not exceed amount prescribed in this behalf by the Central Government from time to time.

The Company has no stock option plans and hence such instrument does not form part of the remuneration package to any Executive Director and/or Non-Executive Director.

## ANNEXURE: D

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

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

To,  
**The Members,**  
**Surat Trade and Mercantile Limited**

Tulsi Krupa Arcade, 6<sup>th</sup> Floor,  
Puna-Kumbharia Road, Dumbhal,  
Surat 395010

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SURAT TRADE AND MERCANTILE LIMITED** (CIN: L17119GJ1945PLC000214) (hereinafter called the "Company") for the **Financial Year ended 31<sup>st</sup> March 2025**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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 31<sup>st</sup> March, 2025** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the **Financial Year ended 31<sup>st</sup> March 2025** according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not Applicable as there was no reportable event during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; - (**Not Applicable as there was no reportable event during the Audit Period**);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;- (**Not Applicable as there was no reportable event during the Audit Period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;- (**Not Applicable as there was no reportable event during the Audit Period**);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - (**Not Applicable to the Company during the Audit Period**);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;- (**Not Applicable as there was no reportable event during the Audit Period**);
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; - (**Not Applicable as there was no reportable event during the Audit Period**); and
  - (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

- (vi) **I further report that** the management has identified and confirmed the other laws specifically applicable to the Company and has devised a proper system to comply with the provisions of the respective Acts, Rules and Regulations;

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

- (i) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder ("Listing Regulations").

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliance under other applicable Acts, Laws and Regulations to the Company.

During the audit period, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. made thereunder.

**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 that took place during the Audit Period 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 to all the Directors. Meetings held at shorter notice are in compliance with the provisions of the Act 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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes. During the Audit Period, no specific instances of dissent have been recorded in the Minutes.

**I further report that**, based on the information provided by the Company, its officers, and authorised representatives during the conduct of the audit and also on the review of quarterly compliance report issued by the Company Secretary/Managing Director, taken on record by the Board of Directors at their meeting(s), in my opinion there are adequate systems and processes and control mechanism 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** there are no specific events/major decisions or activities undertaken in pursuance of the above laws, rules and regulations, guidelines, standards etc., during the Audit Period, having a major bearing on the Company's affairs.

For **Jigar Vyas & Associates**  
Company Secretaries

**Jigar Vyas**  
Proprietor

FCS No.: 8019 C.P. No.: 14468  
UDINF008019G000710545

Place: Surat  
Date: 4<sup>th</sup> July, 2025 Peer Review Certificate No.: 2273/2022

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

**Annexure A to the Secretarial Audit Report**

To,

**The Members,**

**Surat Trade and Mercantile Limited**

Tulsi Krupa Arcade, 6<sup>th</sup> Floor,

Puna-Kumbharia Road, Dumbhal,

Surat 395010

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
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-check 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.

**For Jigar Vyas & Associates**

Company Secretaries

**Jigar Vyas**

Proprietor

FCS No.: 8019 C.P. No.: 14468

UDIN: UDINF008019G000710545

Peer Review Certificate No.:2273/2022

Place: Surat

Date: 4<sup>th</sup> July, 2025

**Annexure – E****Form No. AOC-2**

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

**Material Related Party Transactions**

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

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

Surat Trade and Mercantile Limited ('the Company') has not entered into any contracts / arrangement / transaction with its related party which are not in ordinary course of business or at arm's length during the Financial Year 2024-25. The Company has laid down policies and processes / procedures so as to ensure compliance to the subject section in the Companies Act, 2013 and the corresponding Rules.

**II. Details of material contracts or arrangement:**

There were no material contracts or arrangements or transactions with related parties during the FY 2024-25.

**III. Details of contracts or arrangement or transactions at arm's length basis:**

The details of transactions at arm's length basis during Financial Year 2024-25 are as follows:

Sr. No.	Name of the Related Party and Relationship	Nature of Transaction	Duration	Salient Terms	Amount (Rs. in Lakhs)
1	Sorrento Textiles Private Limited (Group Company)	Leave and Licence Fees	Ongoing	On arm's length basis and in ordinary course of business.	83.23
2	Mr. Praful A. Shah (Relative of Director)	Locker Rent	Ongoing	On arm's length basis and in ordinary course of business.	0.60

Appropriate approvals have been taken for related party transactions. No advances have been paid or received against the transactions mentioned above.

**For and on behalf of the Board of Directors**

**Alok P. Shah**  
**Manging Director**  
**DIN: 00218180**

**Surat, 25<sup>th</sup> July, 2025**



## ANNEXURE – F

### REPORT ON CORPORATE GOVERNANCE

**(Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

The Directors present the Company's Report on Corporate Governance for the financial year ended 31<sup>st</sup> March 2025, in terms of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"/ "SEBI Listing Regulations").

#### 1. COMPANY'S PHILOSOPHY

The Company's philosophy is to attain transparency and accountability in its relationship with employees, shareholders, creditors, consumers, dealers, and lenders, ensuring a high degree of regulatory compliance. Your Company firmly believes that a good governance process represents the foundation of corporate excellence. Your business fosters a culture of ethical behaviour and disclosures aimed at building the trust of your stakeholders. The Company has been committed to develop sustainable value for all its stakeholders including customers, employees, shareholders, suppliers, regulatory authorities and the communities that it operates in.

#### 2. BOARD OF DIRECTORS

##### (a) Composition of the Board

The Board of Directors ("The Board") has an optimum combination of Executive and Non-Executive Directors, which includes a Woman Independent Director and is in conformity with the provisions of the Companies Act, 2013 ('the Act') and Regulation 17 of the SEBI Listing Regulations.

The Board of Directors as at the end of 31<sup>st</sup> March 2025, comprised of 6 Directors, out of which 3 were Executive Directors and 3 were Non-Executive Directors, all being Independent Directors.

The maximum number of Directorship held by all of your directors is well within the limit of 7 listed entities and none of the Directors of your Company serves as an Independent Director in more than 7 listed entities.

The maximum number of Committee Membership held by all of your directors is well within the limit of 10 Committees and in the case of Chairmanship, within the limit of 5 Committees of listed entities.

The necessary disclosures regarding committee positions in other public companies as on 31<sup>st</sup> March 2025 have been made by the Directors. None of the Director is related to each other except Mr. Alok P. Shah and Mr. Suhail P. Shah.

The Board of Directors along with its committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value.

The Board along with its committees also undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's Corporate Governance philosophy. The Nomination and Remuneration Committee of the Board ensures the right composition of the Board.

All the Directors possess the requisite qualifications and experience in general corporate management, finance, banking, law, operations and other allied fields enabling them to contribute effectively.

During the year, Mr. Manish Gandhi (DIN:10671306) was inducted to the board as an Additional Director in the capacity as Independent Director of the Company for a period of 5 (five) consecutive years w.e.f. 27<sup>th</sup> June 2024. Ms. Kruti Kothari was re-appointed as an Independent Director for a second term of 5 (five) consecutive years w.e.f. 9<sup>th</sup> July 2024. Mr. Pareesh V. Chothani was re-appointed as Whole time Director of the Company for a further period of 5 (five) years w.e.f. 26<sup>th</sup> November 2024. The shareholders of the Company at the 78<sup>th</sup> Annual General Meeting held on 6<sup>th</sup> August 2024 approved the respective appointments.

Mr. Ketan A. Jariwala ceased to be a member of the board on completion of his second term as an Independent Director of the Company, on 10<sup>th</sup> August 2024.

The Board of Directors approved the re-appointment of Mr. Alok P. Shah as Managing Director of the Company for a further period of 5 (five) years w.e.f. 1st July 2025, subject to the approval of Shareholders of the Company.

#### (b) Board Meeting and Attendance

During the Financial Year 2024-25, 5 (Five) Board Meetings were held on 24.05.2024, 27.06.2024, 08.08.2024, 13.11.2024 and 11.02.2025. A necessary quorum, as per Regulation 17(2A) of SEBI Listing Regulations, was present for all meetings. The maximum interval between any two meetings was within the maximum allowed gap pursuant to the Companies Act, 2013 and the SEBI Listing Regulations.

The details of each Member of the Board along with the number of Directorship(s)/Committee Membership(s)/Chairmanship(s), date of joining the Board and their attendance at the Board Meetings held during the year and at the last Annual General Meeting are as under:

Name of Directors	Category	No. of Board Meetings attended #	Attendance at 78 <sup>th</sup> AGM held on 06.08.2024	No. of Directorships in other Public Limited Companies	No. of Committee positions held in other Public Limited Companies
Mr. Suhail P. Shah	Wholetime Director	5	Yes	-	-
Mr. Manish Gandhi*	Non-executive, Independent	2	No	-	-
Mr. Ketan Jariwala**	Non-executive, Independent	2	Yes	-	-
Ms. Kruti Kothari	Non-executive, Independent	4	Yes	-	-
Mr. Paresh V. Chothani	Wholetime Director	5	Yes	-	-
Mr. Alok P. Shah	Managing Director	5	Yes	-	-
Mr. Deepak N. Shah	Non-executive, Independent	5	Yes	-	-

\*Appointed with effect from 27<sup>th</sup> June 2024

\*\*ceased to be a director w.e.f.10<sup>th</sup> August 2024

# Excluding Independent Directors meeting.

#### (c) Board Procedure and support

The Board oversees the entire functioning of the Company and is involved in strategic decision-making on a collective basis. The Company Secretary under the direction of the Chairman and in consultation with Chief Financial Officer (CFO) prepares the agenda along with the explanatory notes thereto and circulates it to the Directors, along with the notice of the meeting.

The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board members to take informed decisions. Additionally, based on the agenda, meetings are attended by members of the senior leadership as invitees which brings in the requisite accountability and also provides developmental inputs.

The Company Secretary tracks and monitors the Board and Committee proceedings to ensure that the Terms of Reference /Charters are adhered to, decisions are properly recorded in the minutes and actions on the decisions are tracked.

The Board periodically reviews the strategy, annual business plan, business performance of the Company and Risk Management, Safety, Business Sustainability and Environmental matters. The Board also reviews the compliance reports of the laws applicable to the Company, Minutes of the Meeting of adoption of quarterly / half-yearly / annual results, minutes of committees of the Board etc. The Board also reviews the declarations made by the Managing Director, the Whole time Director & Chief Financial Officer and the Company Secretary regarding compliance with all applicable laws and reviews the related compliance reports, on a quarterly basis.

The Company Secretary and Compliance Officer is responsible for preparation of the agenda including the background papers and convening of the Board and Committees, advise/assures the Board on compliance and governance principles and ensures appropriate recording of the minutes of the meeting.

During the financial year 2024-25, all necessary information as required under the applicable provisions of the Companies Act, 2013, Regulation 17(7) of the SEBI Listing Regulations 2015 & Schedule II Part A of SEBI Listing Regulations, and other applicable laws and rules were placed and discussed at the Board Meeting.

**(e) Disclosure of relationships between Directors inter-se**

Except for Mr. Alok P. Shah and Mr. Suhail P. Shah, who are related inter-se, the other Directors of the Company are not related to each other.

**(f) Skills/expertise/competencies of the Board of Directors**

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence. The Board provides leadership, strategic guidance, objective and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board periodically evaluates the need for change in its composition and size.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company, which are currently available with them.

Area of skills/expertise/competence	Names of Directors who have such skills / expertise / competence
Finance, Law, Management, Administration, Corporate Governance related to the Company's business	Mr. Alok P. Shah, Mr. Suhail P. Shah, Ms. Kruti Kothari, Mr. Paresh V. Chothani, Mr. Manish Gandhi and Mr. Deepak N. Shah
Technical Operations and knowledge on Production, Processing, Quality and Marketing of products	Mr. Alok P. Shah, Mr. Suhail P. Shah, and Mr. Paresh V. Chothani
Management, Strategy, Sales, Marketing, Administration Technical Operations related to the Company's business	Mr. Alok P. Shah, Mr. Suhail P. Shah and Mr. Paresh V. Chothani

**(g) Code of Conduct**

The Company has adopted the 'Code of Conduct' which is applicable to its employees, including the Managing and Executive Directors. The Board has also approved a Code of Conduct for the Non-Executive Directors of the Company, which incorporates the duties of Independent Directors as laid down in the Act. Both these Codes are posted on the Company's website at the web link: <http://www.stml.in>.

Key Managerial Personnel have affirmed compliance with the applicable Code of Conduct for the Financial Year 2024-25. A declaration to this effect, signed by the Managing Director and CFO, forms part of this Report.

Apart from receiving remuneration that they are entitled to under the Act as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its Promoters or Directors, its Senior Management.

**(h) Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has adopted the Code of Conduct for prevention of Insider Trading and the Code of Corporate Disclosure Practices (Insider Trading Code).

All the Directors, Employees of the Company and their immediate relatives and other connected persons who could have access to the Unpublished Price Sensitive Information of the Company, are governed under this Insider Trading Code.

**(i) Independent Directors**

The Independent Directors of the Company have been appointed in terms of the requirements of the Act, the Listing Regulations. As required under Regulation 46 of the Listing Regulations, formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website at the web link: <https://www.stml.in>.

The Independent Directors have confirmed that they meet the criteria of independence under section 149(6) of the Act and Regulations 16(1)(b) as amended by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board is of the opinion that the Independent Directors fulfil the conditions specified in the Act and the Listing Regulations and that they are independent of the management.

**(j) Meeting of Independent Directors**

The Independent Directors Meeting was held on 11th February 2025, which was chaired by Mr. Deepak N. Shah. The said meeting was held without the presence of Non-Independent Directors and members of the management. At the said meeting, the Independent Directors:

- (a) reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;
- (b) reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non- Executive Directors;
- (c) assessed the quality, quantity and timeliness of flow of information between the Management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

**(k) Familiarization Programme for Board Members**

All Board members of the Company are accorded every opportunity to familiarize themselves with the Company, its management, its operations and above all, the industry perspective and issues. They are made to interact with senior management personnel and proactively provided with relevant news, views and updates on the Company and sector. All the information/documents sought by them are also shared with them for enabling a good understanding of the Company, its various operations.

None of the Independent directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons other than those provided by them is not applicable.

The details of the Familiarization Programme for Independent Directors for 2024-25 is disclosed on the Company's website at the web link: <http://www.stml.in/policies.aspx>

## (I) Board and Directors' Evaluation and Criteria for Evaluation

During the year, the Board carried out an Annual Evaluation of its own performance and the performance of individual Directors, as well as evaluation of Committees of the Board.

The Nomination and Remuneration Committee (NRC) has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The Nomination and Remuneration Committee (NRC) has also formulated criteria for determining qualifications, positive attributes and independence of Directors in terms of Section 178(3) of the Act and the Listing Regulations.

The procedure followed for the performance evaluation of the Board, Committees and Directors is detailed in the Board's Report, which forms part of the Annual Report.

## 3. BOARD COMMITTEES

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework designed by the Board and make specific recommendations to the Board on matters within their purview.

All decisions and recommendations of the Committees are placed before the Board for information or for approval, if required. The Company Secretary acts as the Secretary for all the Committees. To enable better and more focused attention on the affairs of the Company, the Board has delegated particular matters to the Committees of the Board set up for the purpose.

Details of the role and composition of the Committees, including the number of Meetings held during the financial year and attendance at Meetings, are provided below:

### (a) Audit Committee

The Company has a duly constituted Audit Committee and as on March 31, 2025, majority of the members of the Audit Committee are Independent Directors having expertise in financial and accounting areas. The Committee's composition meets with the requirements of Section 177 of the Act and Listing Regulations.

The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the Statutory Auditors and the Internal Auditors.

#### Composition of Audit Committee

The Audit Committee comprises of the following members as on March 31, 2025:

Sr. No.	Name of Member	Category of Director	No. of Meeting Attended
1	Mr. Deepak N. Shah Chairman	Non-Executive, Independent	4
2	Mr. Manish J. Gandhi* Member	Non-Executive, Independent	3
3	Ms. Kruti Kothari Member	Non-Executive, Independent	3

\* Appointed on 27<sup>th</sup> June 2024

#### Terms of Reference

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act. All members of the Committee are financially literate, with Mr. Deepak N. Shah, as Chairman of the Committee, having the relevant accounting and financial management expertise.

The terms of reference of the Audit Committee includes the matters specified under Section 177 of the Companies Act, 2013 and Regulation 18(3) read with Part C of Schedule II of the Listing Regulations.

The Audit Committee may call for the Comments of the Auditors about internal control systems, the scope of Audit, including observations and review of financial statements before their submission to the Board and any related issues with internal and statutory auditors and management of the Company.

During the financial year 2024-25, the Audit Committee of the Company met 4 (four) times on 24.05.2024, 08.08.2024, 13.11.2024 and 11.02.2025. The gap between any two meetings was not more than 120 days. The Committee, in its meeting held on 27<sup>th</sup> May 2025, reviewed the Audited Annual Accounts for the year ended 31st March 2025.

During the year, the Audit Committee reviewed key audit findings covering Operational, Financial and Compliance areas, Risk Mitigation Plan covering key risks affecting the Company which were presented to the Committee. The Chairman of the Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings.

Mr. Deepak Shah, Chairperson of the Audit Committee, was present at the 78th Annual General Meeting of the Company held on 6<sup>th</sup> August 2024 held through video conference.

The Company Secretary acts as a secretary to the Committee.

#### **Internal Audit**

The Company has adequate Internal Control and Internal Audit system commensurate with its size and nature of its Business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors directly present their reports to the Audit Committee for their consideration.

#### **(b) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee (NRC) has been constituted by the Board in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

#### **Composition of the Committee and Attendance at meetings during the year**

The Committee consisted of 3 (three) Independent Directors namely Mr. Deepak Shah as Chairman, Mr. Manish Gandhi and Ms. Kruti Kothari, Independent Directors as members.

Consequent to retirement of Mr. Ketan Jariwala on expiry of his 2<sup>nd</sup> term as Independent Director, the Board of Directors reconstituted the Committee and inducted Mr. Manish Gandhi, Independent Director as the member of the Committee while Mr. Deepak Shah taking over as Chairman of the Committee.

During the year 2024-25, 1 (One) meeting of the Nomination and Remuneration Committee were held on 27.06.2024 wherein all the members were present.

The Chairman of the Nomination and Remuneration Committee was present at the 78th Annual General Meeting of the Company held on 6<sup>th</sup> August 2024 through video conference.

#### **Terms of reference**

The terms of reference of the NRC covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the Listing Regulations.

#### **Performance Evaluation:**

Pursuant to the provisions of the Companies Act 2013 and the applicable provisions of the Listing Regulations, the Annual Performance Evaluation was carried out for the Financial Year 2024-25 by the Board in respect of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Risk Management, Stakeholders' Relationship and Corporate Social Responsibility Committees.

The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

#### **Nomination and Remuneration Policy**

On recommendation of Nomination and Remuneration Committee, the Board of Directors have approved a Nomination and Remuneration Policy for the appointment and remuneration of the director, key managerial personnel (KMP) and other employees.

The key objectives of the Policy are to lay down the criteria for appointment and remuneration of Directors, Key Managerial Personnel and Executives at Senior Management level and recommend to the Board their appointment, and also to formulate criteria for evaluation of performance of Independent Directors and the Board and to devise a policy on Board diversity.

The Policy, inter-alia, includes criteria for determining qualifications, positive attributes, independence of a director, and expertise and experience required for appointment of Directors, KMP and Senior Management.

The details of the remuneration policy are available on the website of the Company <https://www.stml.in>.

### **(c) Stakeholders' Relationship & Investor Grievance Committee**

#### **Composition of Committee**

The composition of the Committee as on March 31, 2025, is as follows:

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Category of Director</b>
1	Mr. Manish Gandhi, Chairman*	Non-Executive, Independent
2	Mr. Paresh V. Chothani, Member	Whole time Director
3	Mr. Deepak Shah, Member	Non-Executive, Independent

\* Appointed on 27<sup>th</sup> June 2024

During the Financial Year 2024-25, the Committee met twice on 11.02.2025 and 13.03.2025. All the members were present at the meeting.

The Stakeholders' Relationship Committee has been constituted by the Board in compliance with the requirements of Section 178 (6) of the Act and Regulation 20(4) of the Listing Regulations. Mr. Manish Gandhi, Independent Director is the Chairman of this Committee.

The Committee specifically discharges duties of servicing and protecting the various aspects of interest of shareholders, debenture holders and other security holders.

The minutes of the meetings of the Committee are placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board.

#### **Terms of reference**

The terms of reference of the Stakeholders Relationship Committee (SRC) covers the areas mentioned in Section 178 (5) of the Act and Regulation 20 read with Part D (B) of Schedule II to the Listing Regulations. The terms of reference of the SRC, inter-alia are as follows:

- Resolving the grievances of the security holders of the Company 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.
- Review of measures taken for effective exercise of voting rights by shareholders



- (c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (d) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company.

#### Investors Grievance

Continuous efforts are being made to ensure that Investor's grievances are expeditiously redressed to the satisfaction of the Investors. The Company and KFin Technologies Limited (Registrar & Share Transfer Agent) attend to all the grievances of the Investors promptly on their receipt, whether received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs etc.

Details of investor complaints received and redressed to the satisfaction during the Financial Year 2024-25 are as follows:

Number of pending complaints at the beginning of the Financial Year	0
Number of complaints received during the Financial Year	18
Number of complaints resolved during the Financial Year	18
Number of complaints pending at the end of the Financial Year	0
Number of complaints not solved to the satisfaction of shareholders	0

The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of Investors' service. Ms. Mahek Gaurav Jaju, Company Secretary, is designated as Compliance Officer of the Company.

Further, as per regulation 40(2) of the Listing Regulation, a report on transfer of shares / deletion of name / issue of duplicate share certificates / transmission of securities is also placed at each meeting of the Board of Directors. The Company Secretary and Compliance Officer acts as a secretary to the committee.

#### (d) Corporate Social Responsibility (CSR) Committee

##### Composition of CSR Committee

The CSR Committee comprises of the following members as on March 31, 2025:

Sr. No.	Name of Member	Category of Director
1	Mr. Deepak Shah, Chairman	Non-Executive, Independent
2	Mr. Manish J. Gandhi*, Member	Non-Executive, Independent
3	Mr. Paresh V. Chothani, Member	Whole time Director

\* Appointed on 27<sup>th</sup> June 2024

The CSR Committee of the Company has laid down the policy to meet Corporate Social Responsibility. The CSR Policy includes any activity that may be prescribed as CSR activity as per the Rules of the Companies Act, 2013.

The Committee's prime responsibility is to assist the Board in discharging its social responsibility by way of formulating and monitoring implementation of the framework of corporate social responsibility policy. The terms of reference of the Corporate Social Responsibility are in accordance with the provisions of the Companies Act, 2013 and Rules made there under.

The CSR policy of the Company has been placed on the Company's website at <https://www.stml.in>

#### Terms of Reference

The terms of reference of the CSR Committee are as under:

- 1) To formulate and recommend to the Board a Corporate Social Responsibility Policy ("CSR Policy");
- 2) To recommend the amount of expenditure to be incurred on the activities listed in CSR Policy;
- 3) To monitor the CSR Policy of the Company from time to time; and
- 4) Such other roles and functions as may be prescribed in the Act and Rules made thereunder.

#### Meeting and Attendance thereat

The CSR Committee met on 28<sup>th</sup> March 2025 to review the Corporate Social Responsibility Policy.

#### (e) Other Committees of Directors

##### Management Committee of the Board

The Board of Directors has constituted the Management Committee of Directors to carry out any other function as is referred to by the Board from time to time or enforced by any statutory notification/ amendment or modification and other routine matters etc.

Consequent to the retirement of Mr. Ketan Jariwala as non-executive independent director of the Company, Mr. Manish J. Gandhi, the non-executive Independent Director was appointed as member of the said Committee.

The composition of the Committee of Directors comprises of Mr. Paresh V. Chothani, Chairman, Mr. Manish J. Gandhi and Mr. Deepak Shah as Members as on date.

## 5. SHAREHOLDER INFORMATION

#### (a) Remuneration to Directors

Remuneration paid to Executive Directors during the financial year 2024-25

(Rs. in Lakhs)

Name of Director	Salary & Perquisites
Mr. Alok P. Shah, Managing Director	4.80
Mr. Suhail P. Shah, Wholetime Director	3.00
Mr. Paresh V. Chothani, Wholetime Director	15.90

#### Remuneration paid to Non-Executive Directors

The Company has paid sitting fees to non-Executive directors for attending meetings of the Board, Audit Committee and other Committee meetings. The aggregate amount of sitting fees paid during the financial year 2024-25 was Rs. 5,80,000.

The Company has no stock option plans and hence such an instrument does not form part of the remuneration package to any Executive Director and/or Non-Executive Director.

#### (b) General Body Meetings

##### Annual General Meetings

The last three Annual General Meetings ("AGM") of the Company were held within the statutory time period and the details of the same are mentioned below:

The details of last 3 Annual General Meetings held are as under:

Financial Year	Venue	Date	Time
2023-24	Meeting held through Video Conferencing (VS) / Other Audio - Visual Means (OAVM)	6 <sup>th</sup> August, 2024	3.30 p.m.
2022-23	Meeting held through Video Conferencing (VS) / Other Audio - Visual Means (OAVM)	11 <sup>th</sup> August, 2023	3.30 p.m.
2021-22	Meeting held through Video Conferencing (VS) / Other Audio - Visual Means (OAVM)	13 <sup>th</sup> September, 2022	3.30 p.m.

During the last 3 years, all the resolutions set out in the respective Notices were passed by the requisite majority of the Shareholders.

**Special Resolutions passed at the last 3 Annual General Meetings:**

- (1) A Special Resolution was passed at the 78th Annual General Meeting held on 6<sup>th</sup> August 2024 for Re-appointment of Ms. Kruti Kothari (DIN: 08502921) as an Independent Director of the Company,
- (2) A Special Resolution was passed at the 77th Annual General Meeting held on 11<sup>th</sup> August 2023 for revision in terms of appointment and payment of remuneration to Mr. Alok P. Shah, Managing Director of the Company, with effect from 1<sup>st</sup> April 2023 up to the remaining tenure of his present term ending on 30<sup>th</sup> June 2025.
- (3) A Special Resolution was passed at the 76th Annual General Meeting held on 13<sup>th</sup> September 2022 for the appointment of Mr. Deepak N. Shah (DIN: 07356807) as an independent director of the Company.

**Extraordinary General Meeting**

No Extraordinary General Meeting (EGM) was held during the last three Financial Years i.e. FY 2024-25, 2023-24 and 2022-23

**Postal Ballot conducted during the year:**

During the year 2024-25, No proposal was placed for approval via Postal ballot.

**(c) Means of Communication:**

The Company promptly discloses information on material corporate developments and other events as required under the Listing Regulations. Such timely disclosures indicate the good Corporate Governance practices of the Company.

**(i) Publication of financial results:**

The quarterly and annual financial results of the Company are uploaded on BSE Listing Centre in accordance with the requirements of Listing Regulations. The financial results are displayed on BSE website. The financial results are also published in 'Indian Express' (English) and 'loksatta (Gujarati) newspapers and posted on the Company's website at [www.stml.in](http://www.stml.in). In terms of the Listing Regulations, the Company has a designated email ID for dealing with Investors' complaints viz., [shareddepartment@stml.in](mailto:shareddepartment@stml.in).

- (ii) Management Discussion and Analysis report forms part of the Directors Report.

**(d) General Shareholder information: Forthcoming Annual General Meeting**

(i)	<b>AGM: Date Time and Venue</b>	Friday, 12 <sup>th</sup> September, 2025
		3:30 p.m.
		The Company is conducting AGM through VC / OAVM pursuant to the MCA Circulars issued from time to time (Collectively referred to as "MCA Circulars"). The Venue of the meeting shall be deemed to be the Registered Office of the Company at Tulsi Krupa Arcade, 6 <sup>th</sup> Floor, Puna-Kumbharia Road, Dumbhal, Surat 395010.
(ii)	<b>Financial Calendar (tentative)</b>	<b>Board Meetings for approval of:</b>
		Financial Results for the first quarter ending June 30, 2025
		Before August 14, 2025
		Financial Results for the second quarter ending September 30, 2025
		Before November 14, 2025
		Financial Results for the third quarter ending December 31, 2025
		Before February 14, 2025
		Audited Annual Accounts for the Year ending 31 <sup>st</sup> March, 2026
		On or before May 30, 2026
(iii)	<b>Dates of Book Closure</b>	Monday, 8 <sup>th</sup> September, 2025 to Friday, 12 <sup>th</sup> September, 2025 (Both days inclusive)
(iv)	<b>Listing on Stock Exchange and Stock Code</b>	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 Tel: +91 22 22721233/34 Fax: +91 22 22721919 Stock Code: 530185

**Payment of Listing Fees:** The Company has paid Listing Fees for the Financial Year 2025-26 to BSE Limited, where the equity shares of the Company are listed.

**Market Price Data**

Monthly High & Low market price of Equity Shares of the Company during financial year 2024-25 at the BSE Limited are as under:

Month	High (Rs.)	Low (Rs.)
Apr-24	11.20	9.50
May-24	10.28	8.25
Jun-24	9.95	8.50
Jul-24	9.58	8.80
Aug-24	10.45	8.66
Sep-24	9.60	9.01
Oct-24	9.27	7.27
Nov-24	8.90	8.07
Dec-24	8.70	7.95
Jan-25	8.19	6.52
Feb-25	7.78	6.30
Mar-25	7.23	6.03

Source: Website of BSE

**Shareholding Pattern as on 31<sup>st</sup> March, 2025:**

No. of Equity Shares		No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares
1 -	5000	1,21,189	98.58	3,60,61,292	16.24
5001 -	10000	1,069	0.87	80,39,526	3.62
10001 -	20000	402	0.33	55,88,678	2.52
20001 -	30000	112	0.09	27,65,217	1.24
30001 -	40000	55	0.04	19,38,658	0.87
40001 -	50000	40	0.03	18,81,292	0.85
50001 -	100000	52	0.04	37,07,988	1.67
100001 & above		25	0.02	16,20,81,789	72.99
<b>TOTAL</b>		<b>1,22,944</b>	<b>100</b>	<b>22,20,64,440</b>	<b>100.00</b>

**Distribution of shareholding as on 31<sup>st</sup> March 2025:**

Sr. No.	Category of Shareholders	No. of Shares held	% to Equity Capital
1.	Promoters	15,20,04,917	68.45
2.	Indian Public	60955776	27.45
3.	Banks, Financial Institutions & Insurance Companies	500	0
4.	NRI's / Overseas Body Corporates	1525363	0.69
5.	Bodies Corporate	6129029	2.76
6.	NBFC Registered with RBI	0	0
7.	Others (NSDL+CDSL) Clearing Members	1448855	0.65
	<b>TOTAL</b>	<b>22,20,64,440</b>	<b>100.00</b>

**Dematerialization of Shares and Liquidity:**

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the Shareholder must open a demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form and submit the same along with the Share Certificate(s) to the DP. The DP will allocate a demat request number and shall forward the request physically and electronically, through NSDL/CDSL to the R&T Agent. On receipt of the demat request, both physically and electronically and after verification, the Shares are dematerialized, and an electronic credit of shares is given in the account of the Shareholder.

All the share related work is being undertaken by the company's Registrar & Transfer Agent. A Stakeholders Relationship Committee has been constituted to approve the share transfer, transmission, split and consolidation etc. of shares. The transfers which are complete in all respects are taken up for approval at least once in a fortnight and the transferred securities dispatched to the transferee within 21 days. The details of transfer / transmission approved by the Committee are noted by the Board at its next meeting.

As on 31<sup>st</sup> March, 2025, out of 222064440 Equity Shares aggregating to 100 % of the total Equity Capital as on 31/03/2025 of which 1.00 % (22,30,861 Equity Shares) of total equity capital is held in Physical form, 62.35% (13,84,50,508 Equity Shares) of total equity capital is held with NSDL and 36.65% (8,13,83,071 Equity Shares) of total equity capital is held with CDSL. The Promoters hold their entire shareholding in the Company in dematerialised form.

**Share Transfer System:**

In accordance with Regulation 40 of the Listing Regulations, as amended, the Company has stopped accepting any fresh transfer requests for securities held in physical form. Accordingly, securities of listed companies can be transferred only in dematerialized form. Requests for dematerialisation of shares are processed, and confirmation is given to the respective depositories i.e. NSDL and CDSL within 21 days.

Dematerialization of holdings will, inter alia, curb fraud in physical transfer of securities by unscrupulous entities and improve ease, convenience and safety of transactions for investors. Further, SEBI has, vide its circular dated January 25, 2022, mandated companies to issue its securities in demat form only while processing various service requests such as issue of duplicate share certificates, sub-division, consolidation, transmission, etc. to enhance ease of dealing in securities markets by investors.

Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at [https:// www.stml.in](https://www.stml.in). In view of the aforesaid, Members who are holding shares in physical form are hereby requested to convert their holdings in electronic mode to avail various benefits of dematerialization.

**Registrar and Share Transfer Agents:**

KFIN Technologies Limited  
Selenium Building, Tower-B, Plot No 31 & 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddy, Telangana, India - 500 032.  
Email ID [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Toll Free No.: 1800 309 4001

**(e) Other information / Disclosures****Compliance with Corporate Governance Requirements**

The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of the Listing Regulations.

**Related Party Transactions**

Your Company has formulated a Policy on the materiality of Related Party Transactions and also dealing with Related Party Transactions. The policy on Related Party Transactions is hosted on the website of the Company.

Particulars of transactions between the Company and related parties as per Accounting Standard (AS) 18 – 'Related Party Disclosures' notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Audit and Accounts) Rules, 2014 are given under Note No. 36 of the annual accounts for the financial year 2024-25.

Pursuant to Regulation 23(9) of the Listing Regulations, the Company has filed the half-yearly reports on related party transactions with the stock exchanges on which the shares of the Company are listed.

**Disclosure of Accounting Treatments**

The Company has adopted and prepared the accounts in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules 2015 as amended and other recognized accounting practices and policies to the extent applicable.

**Subsidiary Company**

The Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any subsidiary. Your Company has formulated a Policy on Material Subsidiary as required under SEBI Listing Regulations, 2015 and the Policy is hosted on the website of the Company.

**MD/CEO/CFO Certification**

As required under Regulation 17(8) of SEBI Listing Regulations, 2015, the Managing Director and the Chief Financial Officer of the Company give annual certification on Financial Reporting and Internal Controls to the Board in terms of requirements of the Listing Regulations.

The Managing Director and the Chief Financial Officer also give quarterly certification on Financial Results while placing the Financial Results before the Board.

**Compliance officer**

In accordance with Regulation 6 of the Listing Regulations, the Board has appointed Ms. Mahek Gaurav Jaju, Company Secretary is the Compliance Officer. She is authorised to approve share transmission and transposition; issue duplicate share certificates in lieu of lost or mutilated share certificates, based on requests received from shareholders, after performing due diligence as may be deemed necessary. under Regulation 6 of the SEBI Listing Regulations, 2015 and other applicable SEBI Regulations and Rules.

**Risk Management**

Your Company has laid down procedure to inform Board members about risk assessment and minimization and has implemented the Risk Management plan and continuously monitors it. Details of Risk Management by the Company have been provided in the Directors' Report and Management Discussion and Analysis.

**Statutory Compliance, Penalties and Strictures**

There has neither been any non-compliance of any of the provisions of law by the Company nor any penalty or structure imposed by the Stock Exchange or SEBI or any other statutory authorities on any matters related to capital market during the last 3 years, except:

- i. Non-submission of the voting results within the period provided under this regulation Regulation 44(3) of SEBI (LODR) Regulations, 2015. Fine of Rs. 10,000+18%GST was imposed by BSE.
- ii. An Administrative Warning letter for non-compliance of SEBI(LODR) Regulation 2015 was issued on February 05, 2024, to which the Company replied suitably.
- iii. A fine of Rs. 2,17,120/- imposed by BSE Limited during the year 2022-23 for Non-compliance with respect to delay in compliance with respect to composition of the Stakeholders Relationship Committee.

**Whistle Blower Policy / Vigil Mechanism:**

The vigil mechanism as envisaged in the Act and the Listing Regulations is implemented through the Code of Conduct and Whistle Blower Policy.

The scope of the vigil mechanism also enables its stakeholders to report on any cases of leakage of unpublished price sensitive information and consequent non-compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

During the year under review, the Whistle Blower Policy was amended to formally extend the whistle blower mechanism to all stakeholders of the Company including customers, suppliers, shareholders, and business associates, allowing them to also file protected disclosures in a prescribed manner.

**Preventing Conflict of Interests**

Members of Board and Senior Management Team while discharging their duties, avoid their conflict of interest in the decision-making process. The members of Board refrain themselves from any discussions and voting in transactions where they have concern or interest.



**Insider Trading Code**

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("The PIT Regulations"). The object of the PIT Regulations is to curb the practice of insider trading in the securities of a listed company.

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code") in accordance with the requirements of the PIT Regulations. The Code lays down guidelines for procedures to be followed and disclosures to be made while trading in securities of the Company. During the year, the Code was amended to align it with the amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015.

As per the revised Code, the Company also adopted Policy on Enquiry in case of leak or suspected leak of UPSI and policy for Determination of Legitimate Purposes.

The Code of Corporate Disclosure Practices along with the Policy for Determination of Legitimate Purposes is also available on the website of the Company at <http://www.stml.in>.

The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

**Depository Services:**

The Equity Shares of your Company are traded in compulsory dematerialized form by all the investors. The Company has entered into agreements with both the depositories viz., National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), enabling the investors to hold shares of the Company in electronic form through the depository of their choice.

**Payment of Depository Fees:** Annual Custody/ Issuer fees for the Financial Year 2025-26 has been paid by the Company to National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL")

**Stock Exchange Intimations**

All price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. All submissions to the Exchanges are made through the respective electronic filing systems.

Material events or information as detailed in Regulation 30 of the Listing Regulations are disseminated to the Stock Exchanges by filing them with BSE through BSE Online Portal. They are also displayed on the Company's website at <https://www.stml.in>

**Letters and Reminders to Shareholders**

The Company in terms of circular issued by SEBI time to time with respect to Updation of PAN and Bank details, mandating transfer of securities only in electronic form effective from 1st April, 2019, has communicated to the shareholders through notice of Annual General Meeting.

Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023, in supersession of earlier Circular(s) issued on the subject, has prescribed common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC (contact details, bank details and specimen signature), and nomination details.

In compliance of the aforesaid circular, the Company vide its letter dated 30th May, 2023 has informed all the shareholders of the Company holding equity shares in physical mode to furnish their PAN, KYC, Nomination Details etc., to the Registrars and Share Transfer Agent of the Company i.e., KFin Technologies Limited.

**Credit Ratings**

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds during the financial year ended 31st March 2025. Accordingly, requirement of obtaining credit rating is not applicable.

**Commodity price risk / Foreign Exchange Risk and Hedging Activity**

During the year under review, the Company commenced the new activities of trading in commodities and other commodity related business from third quarter of F Y23.

Commodity trading involves buying and selling commodities via exchanges and hedging them via derivatives. Commodity futures are derivative contracts in which the purchaser agrees to buy or sell a specific quantity of a physical commodity at a specified price on a particular date in the future. Futures are derivative, which are investments that derive their value from the price of another asset, typically called the underlying asset.

The Company tries to mitigate these risks by taking quick actions and proactive initiatives and sound business management practices and minimize the impact of these risks to the extent possible.

**Outstanding GDRs/ADRs/Warrants**

The Company has no outstanding GDRs/ADRs/Warrants as on 31<sup>st</sup> March 2025.

**Nomination:**

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination form can be obtained from the Company's Registrar and Transfer Agent.

**Address for Correspondence:**

For Transfer / Dematerialization of Shares, Payment of Dividend on Shares and any other query relating to the shares of the Company.

<b>(i)</b>	<b>For Shares held in Physical Form</b>	KFin Technologies Limited (Unit: Surat Trade and Mercantile Limited) Selenium Tower B, Plot Nos. 31 & 32, Financial District, Serilingampally Mandal, Hyderabad 500032. State: Telengana, India. Email: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> Toll Free No. 1-800-309-4001
<b>(ii)</b>	<b>For query on Annual Report</b>	Surat Trade and Mercantile Limited Secretarial Department, Tulsi Krupa Arcade, 6 <sup>th</sup> Floor, Puna-Kumbharia Road, Dumbhal, Surat 395010
<b>(iii)</b>	<b>For Shares held in Demat Form</b>	Respective Depository Participants of the shareholders.

**Eliminate Duplicate Mailing**

Members holding Equity Shares of the Company in more than one Folio in one name or with the same address as joint members of the Company, may authorize the Company to discontinue mailing of multiple Annual Reports.

**Green Initiatives:**

In compliance with the provisions of Section 20 of the Act and as a continuing endeavor towards the 'Go Green' initiative, the Company proposes to send all correspondence/ communications through email to those shareholders who have registered their email id with their depository participant's/Company's RTA.

**Equity Shares in the suspense account**

During the year under review, there were no shares held in the demat suspense account/unclaimed suspense account. The Company has sent reminders to the shareholders to claim their shares returned undelivered and lying in physical form with the Company.

**Secretarial Audit**

A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital.

The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

M/s Jigar Vyas & Associates, Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2024-25. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under, its Memorandum and Articles of Association, Listing Regulations and the applicable SBI Regulations. The Secretarial Audit Report forms part of the Board's Report.

**Certificate from Practising Company Secretary**

M/s Jigar Vyas & Associates, Practicing Company Secretaries, has issued a certificate as 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 directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate forms part of the annexure to Corporate Governance Report.

In accordance with the SEBI Circular dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from M/s Jigar Vyas & Associates, Practicing Company Secretaries, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended 31st March 2025.

**Certificate on Corporate Governance**

The Certificate on Corporate Governance is provided as **Annexure F** to the Board's report.

**Web link for various documents**

The following documents/information are linked with the website of the Company i.e., <https://www.stml.in>

Particulars	Web link
Code Of Conduct	<a href="http://www.stml.in/CodeOfConduct.aspx">http://www.stml.in/CodeOfConduct.aspx</a>
Annual Return	<a href="http://www.stml.in/AnnualReturn.aspx">http://www.stml.in/AnnualReturn.aspx</a>
Familiarisation Programme for Independent Director	<a href="http://www.stml.in/policies.aspx">http://www.stml.in/policies.aspx</a>
Policy For Determining Material Subsidiaries	<a href="http://www.stml.in/policies.aspx">http://www.stml.in/policies.aspx</a>
Policy for Related Party Transaction	<a href="http://www.stml.in/policies.aspx">http://www.stml.in/policies.aspx</a>
Corporate Social Responsibility Policy	<a href="http://www.stml.in/policies.aspx">http://www.stml.in/policies.aspx</a>
Whistle Blower	<a href="http://www.stml.in/policies.aspx">http://www.stml.in/policies.aspx</a>

Particulars	Web link
Preservation of Documents and Archival Policy	<a href="http://www.stml.in/policies.aspx">http://www.stml.in/policies.aspx</a>
Policy on Determination of Materiality of Events Information	<a href="http://www.stml.in/policies.aspx">http://www.stml.in/policies.aspx</a>
Code of Practices and Procedures for Fair Disclosure	<a href="http://www.stml.in/policies.aspx">http://www.stml.in/policies.aspx</a>

**(f) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has complied with all the mandatory requirements and have not adopted non-mandatory requirements.

- The Company does not have any Material Subsidiary Company.
- Policy on dealing with related party transactions is available on the website of the Company.
- The Company does not have any foreign exchange exposure; therefore, the Company has not framed any such policy for activities related thereto.

**(g) Compliance of Discretionary requirements under Part E of Schedule II of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

- The Board: The Chairperson does not maintain his separate office at the Company's expense.
- Shareholder Rights: The Company publishes the financial results in newspapers and places on its website.
- Modified opinion(s) in audit report: During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.
- Separate posts of chairperson and chief executive officer: The Company has a Managing Director and a Whole time Director of the Company.
- Reporting of internal auditor: The Internal Auditor of the Company directly reports to the Audit Committee of the Company and their Internal Audit Reports are presented in the meeting of the Audit Committee.

**(h) Payment to Auditors**

Total fees for all services paid by the Company to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part is given below:

(Rs. In Lakh)

Payment to Statutory Auditors	FY 2024-25
Statutory Audit Fees	5.25
Fees for Limited Review Report	3.75
Certification Fees	0.00
Reimbursement of out-of-Pocket Expenses	0.17
<b>Total</b>	<b>9.17</b>

**(i) Auditors' Certificate on compliance with the conditions of Corporate Governance**

The Company has obtained a Certificate from Practicing Company Secretaries regarding compliance of the conditions of Corporate Governance, as stipulated in the SEBI Listing Regulations, which is annexed with this Report and shall be sent to all the Members of the Company and the Stock Exchanges along with the Annual Report of the Company.

## CEO/CFO CERTIFICATION

(Under Regulation 17(8) of SEBI (LODR) Regulations, 2015)

To  
The Board of Directors,  
Surat Trade and Mercantile Limited  
Tulsi Krupa Arcade, 6<sup>th</sup> Floor,  
Puna-Kumbharia Road, Dumbhal,  
Surat 395010

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Surat Trade and Mercantile Limited ("the Company") to the best of our knowledge and belief certify that:

- (a) We have reviewed Financial Statement and the Cash Flow Statement for the year ended 31st March, 2025 and that to the best of our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.

We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these efficiencies.

We have indicated to the Auditors and the Audit Committee:

- (i) significant changes, if any, in internal control over financial reporting during the year;
- (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

For Surat Trade and Mercantile Limited

Place: Surat  
Date: 27<sup>th</sup> June, 2025

Alok P. Shah  
Managing Director  
DIN: 00218180

Chandresh S. Punjabi  
C.F.O.

## DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

**(Regulation 34(3) read with Schedule V (Part D) of the  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

This is to confirm and certify that the Company has adopted a Code of Conduct for Board member and Senior Management Personnel. As provided under sub-regulation (3) of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board member and Senior Management have confirmed compliance with the Code of Conduct and Ethics for the year ended 31<sup>st</sup> March, 2025.

**For Surat Trade and Mercantile Limited**

**Place: Surat**  
**Date: 27<sup>th</sup> June, 2025**

**Alok P. Shah**  
**Managing Director**  
**DIN: 00218180**

## 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,  
**Surat Trade and Mercantile Limited,**  
Tulsi Krupa Arcade,  
6<sup>th</sup> Floor, Near Aai Mata Chowk,  
Puna-Kumbharia Road, Dumbhal,  
SURAT 395010.

I have examined the relevant disclosures provided by the Directors (as enlisted in Table A); to the **SURAT TRADE AND MERCANTILE LIMITED** bearing **CIN L17119GJ1945PLC000214**; having registered office at Tulsi Krupa Arcade, 6<sup>th</sup> Floor, Near Aai Mata Chowk, Puna-Kumbharia Road, Dumbhal, Surat 395 010 (hereinafter referred to as 'the Company'), for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://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 enlisted in Table A) have been debarred or disqualified from being appointed or continuing as directors by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority for the Financial Year ended 31<sup>st</sup> March 2025.

**Table -A**

Sr. No.	Name of the Directors	Director Identification Number	Date of Appointment in the Company
1	Mr. Alok P. Shah	00218180	30/06/2022
2	Mr. Paresh V. Chothani	00218632	26/11/2021
3	Mr. Suhail P. Shah	00719002	01/09/2023
4	Mr. Ketan A. Jariwala *	02095540	11/08/2014
5	Ms. Kruti Kothari	08502921	09/07/2019
6	Mr. Deepak N. Shah	07356807	11/08/2022
7	Mr. Manish J. Gandhi	10671306	27/06/2024

\* Ceased to be a director w.e.f. 10<sup>th</sup> August 2024

Ensuring the eligibility of 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 my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31<sup>st</sup> March 2025.

For **Jigar Vyas & Associates**  
Company Secretaries

**Jigar Vyas**  
Proprietor

FCS No.: 8019 C.P. No.: 14468

UDIN: F008019G000710589

Peer Review Certificate No.:2273/2022

Place: Surat

Date: 4<sup>th</sup> July, 2025



**CERTIFICATE ON COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 RELATING TO CORPORATE GOVERNANCE REQUIREMENTS**

To,  
The Members  
**SURAT TRADE AND MERCANTILE LIMITED**  
Tulsi Krupa Arcade, 6<sup>th</sup> Floor,  
Near Aai Mata Chowk,  
Puna-Kumbharia Road, Dumbhal,  
SURAT 395010.

I have examined the compliance of conditions of Corporate Governance by **SURAT TRADE AND MERCANTILE LIMITED (the “Company”)** bearing **CIN L17119GJ1945PLC000214** for the Financial year ended 31<sup>st</sup> March 2025 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance under the Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable.

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

For **Jigar Vyas & Associates**  
Company Secretaries

**Jigar Vyas**  
Proprietor

Place: Surat  
Date: 4<sup>th</sup> July, 2025

FCS No.: 8019 C.P. No.: 14468  
UDIN: F008019G000710600  
Peer Review Certificate No.:2273/2022

## INDEPENDENT AUDITOR'S REPORT

To the members of SURAT TRADE AND MERCANTILE LIMITED  
(Formerly known as 'SURAT TEXTILE MILLS LIMITED')

Report on the audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of **SURAT TRADE AND MERCANTILE LIMITED (Formerly known as 'SURAT TEXTILE MILLS LIMITED')** (hereinafter referred as "the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and Notes to the Standalone Financial Statements, including a summary of material accounting policies and other explanatory information. (Hereinafter collectively referred 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 (hereinafter referred as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended (hereinafter referred as "Ind AS") and other accounting policies generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred as "SAs") specified Under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's responsibilities* for the audit of the 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 (hereinafter referred as "ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules there under, 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.

### 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 for the year ended March 31, 2025. 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. We have determined the matters described below to be the key audit matters to be communicated in our report;

Key Audit Matter	Auditor's Response
<b>Revenue Recognition:</b> For the year ended March 31, 2025, the Company's financial statements include revenue of Rs. 6,863.70 Lakhs generated from trading in commodities and other commodities related activities.	Our audit procedures in respect of this area include but are not limited to: <ul style="list-style-type: none"> <li>assessed the design and operating effectiveness of the Company's controls around revenue recognition and conducted tests to verify its operational effectiveness</li> <li>Read terms of the contracts and verified accuracy of sales recognition;</li> </ul>

Key Audit Matter	Auditor's Response
<p>The Company recognises revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.</p> <p>In case of revenue recognition risk of material misstatement significantly increases for its timing of transfer of control, cut-offs, accuracy, completeness and presentation and disclosure. This can lead to revenue either being recognised in incorrect accounting periods or at incorrect value thereby impacting the financial statements. Considering these factors, in the context of our audit this matter was of significance and hence a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Verified cut-off documents to ensure that revenue is recognized in correct accounting period and carried out other substantive procedures;</li> <li>• Performed analytical procedures and obtained reasons for major variances;</li> <li>• Evaluated the appropriateness of the management's assessment that the performance obligations arising from sales related activities to satisfy the criteria for revenue recognition, in accordance with Ind AS 115;</li> <li>• Ensured that revenue is recognized in accordance with accounting policy of the Company and adequate &amp; appropriate disclosures made in the financial statements;</li> </ul> <p>Based on the above audit procedures performed, we did not come across any significant exceptions with regard to revenue recognition.</p>

#### **Information other than the Standalone Financial Statements and Auditor's Report thereon (hereinafter referred as "other information")**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 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 opinion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above 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 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.

#### **Management Responsibilities 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. This responsibility also includes 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 Standalone Financial Statements 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, the Company's 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 management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

### 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 Standalone Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also;

- a) 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.
- b) 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 Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the board of directors.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
- e) Evaluate the overall presentation, structure, and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone 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 the 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 evaluating the results of our work; and (ii) evaluating 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 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.

### **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 Section 143 (11) of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act and based on our audit 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 Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act;
  - 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 with reference to financial statements 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 with reference to financial statements;
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, according to the information & explanation given to us, the remuneration payable by the Company to its directors during the year, is in accordance with the provisions of section 197(16) of the Act. The remuneration paid to directors is not in excess of the limit laid down under Section 197(16) of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us;
  - h) 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 pending litigations as at March 31, 2025.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, 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 entity, including foreign entity ("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 entity, including foreign entity ("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. During the year Company has not declared/paid any dividend hence reporting under rule 11 (f) is not applicable to that extent.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail at the database level was not enabled to log direct changes to Database. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

**For Sharp and Tannan Associates**  
Chartered Accountants  
Firm's Registration No.:109983W  
by the hand of

**CA Pramod Bhise**  
Partner  
Membership No.: (F) 047751  
UDIN: 25047751BMKXBB2790

Pune, May 27, 2025

**Annexure A to the independent auditor's report on the standalone financial statements of Surat Trade and Mercantile Limited for the year ended March 31, 2025.**

**(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" Section of our report on even date)**

- i. (a) According to the information and explanation given to us and records examined by us;
  - (A) The Company has maintained proper records showing full particulars, including quantitative details and the situation of the Property, Plant, and Equipment (PPE) of the Company.
  - (B) The Company has maintained proper records showing full particulars of the Intangible assets of the Company.
- (b) The Company has a program of verification of PPE to cover all the items in a phased manner over a period of 3 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, Property, Plant and Equipment have been physically verified during the year by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information & explanations given to us and the records examined by us and based on the examination of the registered documents provided to us, we report that the title deeds, comprising all the immovable properties of land and buildings (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), are held in the name of the Company as at the balance sheet date.
- (d) According to the information & explanations given to us and the records examined by us, we report that the Company has not made any revaluation of PPE (including right-of-use assets) or intangible assets or both during the year. Accordingly, reporting on paragraph 3 Clause (i) (d) of the Order is not applicable to the Company.
- (e) According to the information & explanations given to us, we report that there is no proceeding initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting on paragraph 3 Clause (i) (e) of the Order is not applicable to the Company.
- ii. In our opinion and according to the information and explanations given to us,
  - (a) The Company's inventory is physically held by the Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) in the warehouse and the same is in electronic receipt form, so it is not practically possible for management to physically verify the inventory. Although the title of the inventory remains in the name of the Company, we are unable to comment on any discrepancies between the physical stock and the book records of the Company.
  - (b) During the year Company does not have any working capital from banks or financial institutions. Accordingly, reporting on paragraph 3 Clause (ii) (b) of the Order is not applicable to the Company.
- iii. In our opinion and according to the information and explanations given to us;
  - (a) During the year the Company has not made investments in, provided loans or advances in the nature of loans, or stood guarantee, or provided security to other than subsidiaries, joint ventures and associates. The Company does not have any subsidiaries, joint ventures, or associate companies. Accordingly reporting on paragraph 3 Clause (iii) (a) of the Order is not applicable to the Company.
  - (b) During the year Company has not granted ICDs to parties other than subsidiaries, joint ventures, and associates as per clause (iii) (a) and the terms and conditions of the grant of ICDs are not prejudicial to the Company's interest. The Company has not given the security or provided any guarantees or advances in the nature of loans to other than subsidiaries, joint ventures and associates. The Company does not have any subsidiaries, joint ventures, or associate companies.



- (c) According to the information and explanation given to us and based on our examination, the ICD granted by the Company is repayable on demand however during the year the Company has not demanded the ICD; accordingly, we are not able to comment on the regularity of the payment.
- (d) According to the information and explanation given to us and based on the audit procedures performed by us, in respect of loans granted by the Company, are repayable on demand however during the year the Company has not demanded the ICD. Accordingly reporting on paragraph 3 Clause (iii) (d) of the Order is not applicable to the Company.
- (e) According to the information and explanation given to us and based on our verification there are certain loans and advances in the nature of the loan that have been renewed or extended, which have been mentioned below in tabular format. During the year no fresh loans were granted to settle the overdue of existing loans given to the same parties.

Sr. No.	Name of the Parties	Aggregate amount of over- due of existing loans extended (Rs. In Lakhs)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
1	Grown Solitaire LLP	500.00	100%
	<b>Total</b>	<b>500.00</b>	

- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, reporting on paragraph 3 Clause (iii) (f) of the Order is not applicable to the Company.
- iv. According to information and explanation provided to us, during the year the Company has not granted any loans, made any investments and provided any guarantees and securities to the parties covered under section 185. Accordingly reporting under this clause is not applicable. However, in respect of investments made the provision with respect to section 186 of the Act have been complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, are not applicable. Further, according to the information and explanations given to us, no order in this respect has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal. Accordingly, reporting on paragraph 3 Clause (v) of the Order is not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the central government under section 148(1) of the Companies Act, 2013, for the business activities carried out by the Company. Accordingly, reporting on paragraph 3 clause (vi) of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) There were no delays by the Company in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods and Service Tax, Employee State Insurance, Customs Duty, Cess, and other material statutory dues applicable to it to the appropriate authorities except there were generally delay in Goods and Service Tax, TDS and Employee State Insurance; According to the information and explanation provided to us, no undisputed amounts payable in respect of statutory dues as mentioned above were in arrears as at March 31, 2025, for a period of more than six months from the date they became payable except the following:

(Rs. In Lakhs)

Name of the Statute	Nature of the Dues	Amount	Period to which the amount re- lates	Due Date	Date of Payment
Goods and Service Tax Act	GST payable on director sitting fees on RCM basis	0.68	April - August 2024	20 <sup>th</sup> of each month	May 20, 2025

- (b) According to the information and explanation provided to us, no statutory dues as mentioned above in clause (vii) (a), which have not been deposited on account of dispute as at March 31, 2025. Accordingly, reporting on paragraph 3 Clause (vii) (b) of the Order is not applicable to the Company.
- viii. According to the information & explanations given to us and the records examined by us, there are no such transactions which are not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), Accordingly, reporting on paragraph 3 Clause (viii) of the Order is not applicable to the Company.
- ix. According to the information & explanations given to us, the Company does not have any loans or borrowings from bank or financial institution or from any other lenders during the year. Accordingly, reporting on paragraph 3 Clause (ix) (a), (b), (c), (d), (e) & (f) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us and the records examined by us,
- (a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments), accordingly reporting on paragraph 3 Clause (x) (a) of the order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly reporting on paragraph 3 Clause (x) (b) of the order is not applicable to the Company.
- xi. According to the information and explanations given to us and the records examined by us,
- (a) Based upon the audit procedures performed by us no material fraud by the Company or any material fraud on the Company has been noticed or reported during the year.
- (b) Based on the audit procedures performed by us there is no any report under sub-section (12) of section 143 of the companies act 2013 has been filed by the auditors in the form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting on paragraph 3 clause (xii) (a), (b) & (c) of the Order is not applicable to the Company.
- xiii. 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, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.
- xiv. According to the information and explanations given to us and the records examined by us,
- (a) the Company has an internal audit system commensurate with the size and nature of its business.
- (b) we have considered the internal audit reports of the Company issued till the balance sheet date, for the period under audit.

- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. According to the information and explanations given to us and the records examined by us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, Accordingly, reporting on Paragraph 3 Clause (xvi) (a), (b), (c) & (d) of the order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current year as well as the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly, reporting on Paragraph 3 Clause (xviii) of the order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization 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 the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting on paragraph 3 clause (xx) of the Order is not applicable to the Company.
- xxi. In our opinion and according to the information and explanation given to us, the Company does not have any subsidiaries, associates and joint ventures during the year. Hence, the Company is not required to prepare Consolidated Financial Statements. Accordingly, reporting on paragraph 3 Clause (xxi) of the Order is not applicable to the Company.

**SHARP & TANNAN ASSOCIATES**

Chartered Accountants

Firm's Registration No.: 0109983W

by the hand of

**CA Pramod Bhise**

Partner

Membership No.: (F) 047751

UDIN: 25047751BMKXBB2790

Pune, May 27, 2025

## **Annexure B to the independent auditor's report on the standalone financial statements of SURAT TRADE AND MERCANTILE LIMITED for the year ended March 31, 2025.**

(Referred to in paragraph 2 (f) under the heading, "Report on other legal and regulatory requirements" of our report on even date)

### **Report on the Internal Financial Controls with reference to the standalone financial statements under Clause (i) of sub section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of **SURAT TRADE AND MERCANTILE LIMITED (Formerly known as 'SURAT TEXTILE MILLS LIMITED')** (hereinafter referred to as "the Company") as of March 31, 2025, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### **Management Responsibility for Internal Financial Controls**

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements 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 the 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 Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the guidance note on internal financial controls over financial reporting issued by ICAI and the Standards on Auditing issued by ICAI and deemed to be prescribed Under Section 143(10) of the Act, 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 with reference to the standalone financial statements 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 with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of internal financial controls with reference to the standalone financial statements, 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 judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to the standalone financial statements includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- 2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of Standalone Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the standalone financial statements over financial reporting to future periods are subject to the risk that the internal financial control with reference to the standalone financial statements 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 to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements, and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2025, based on the internal financial control with reference to Standalone Financial Statements 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.

**SHARP & TANNAN ASSOCIATES**

Chartered Accountants

Firm's Registration No.: 0109983W

by the hand of

**CA Pramod Bhise**

Partner

Membership No.: (F) 047751

UDIN: 25047751BMKXBB2790

Pune, May 27, 2025

## Balance Sheet as at 31st March, 2025

(Rs. in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>ASSETS</b>			
<b>1 NON-CURRENT ASSETS:</b>			
(a) Property, Plant and Equipment	1	275.23	169.63
(b) Right of Use Assets	1	157.02	177.50
(c) Capital Work-In-Progress		0.00	0.00
(d) Other Intangible Assets	1	0.24	0.50
(e) Investment Property	2	1018.86	993.86
(f) Financial Assets			
(i) Investments	3	7780.77	5338.61
(ii) Loans and Advances		0.00	0.00
(iii) Others Financial Assets		0.00	0.00
(g) Non-Current Tax Assets (Net)	6	32.53	42.86
(h) Deferred Tax Assets (Net)		0.00	0.00
(i) Other Non-Current Assets	7	3890.78	3890.96
<b>TOTAL NON-CURRENT ASSETS</b>		<b>13155.43</b>	<b>10613.92</b>
<b>2 CURRENT ASSETS:</b>			
(a) Inventories	9	1750.31	1404.70
(b) Financial Assets			
(i) Investments	3	6119.48	8210.42
(ii) Trade Receivables		0.00	0.00
(iii) Cash and Cash Equivalents	10	100.73	89.97
(iv) Bank Balances Other than (iii) above		0.00	0.00
(v) Loans and Advances	4	506.07	505.93
(vi) Others Financial Assets	5	191.85	138.24
(c) Other Current Assets	7	268.32	196.42
<b>TOTAL CURRENT ASSETS</b>		<b>8936.76</b>	<b>10545.68</b>
<b>TOTAL ASSETS</b>		<b>22092.19</b>	<b>21159.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
(a) Equity Share Capital	11	2220.64	2220.64
(b) Other Equity	12	19462.02	18297.28
<b>Total Equity</b>		<b>21682.66</b>	<b>20517.92</b>
<b>LIABILITIES:</b>			
<b>1 NON-CURRENT LIABILITIES:</b>			
(a) Financial Liabilities			
(i) Borrowings		0.00	0.00
(ii) Lease Liabilities	13	157.92	169.53
(iii) Other Financial Liabilities	17	4.50	5.00
(b) Long-Term Provisions	14	21.87	22.56
(c) Deferred Tax Liabilities (Net)	15	128.89	342.82
<b>Total Non-Current Liabilities</b>		<b>313.18</b>	<b>539.91</b>
<b>2 CURRENT LIABILITIES:</b>			
(a) Financial Liabilities			
(i) Borrowings		0.00	0.00
(ii) Lease Liabilities	13	11.61	10.59
(iii) Trade Payables			
- Dues of Micro Enterprises and Small Enterprises		0.00	0.00
- Dues of Creditors Other than Micro Enterprises and Small Enterprises	16	22.16	33.67
(iv) Other Financial Liabilities	17	29.29	32.11
(b) Other Current Liabilities	18	9.95	15.71
(c) Short-Term Provisions	14	23.34	9.69
(d) Current Tax Liabilities (Net)	15	0.00	0.00
<b>Total Current Liabilities</b>		<b>96.35</b>	<b>101.77</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>22092.19</b>	<b>21159.60</b>
Material accounting policies	A to C		
The accompanying notes form an integral part of the financial statements	1 to 43	-	-

As per our attached report of even date

For **Sharp & Tannan Associates,**

Chartered Accountants

Firm Registration No. 109983W

by the hand of

For and on behalf of Board of Directors

**Alok P. Shah**

Managing Director

DIN: 00218180

**Paresh V. Chothani**

Wholetime Director

DIN: 00218632

**CA Pramod Bhise**

Partner

Membership No.(F) 047751

Pune, 27<sup>th</sup> May, 2025

**Chandresh S. Punjabi**

Chief Financial Officer

**Mahek Gaurav Jaju**

Company Secretary

Surat, 27<sup>th</sup> May, 2025

## Statement of Profit and Loss for the year ended 31st March, 2025

(Rs. in Lakhs)

Particulars	Note No.	2024-25	2023-24
<b>1 Income:</b>			
(a) Revenue from Operations	19	6863.70	6056.37
(b) Other Income	20	1482.44	1945.99
<b>Total Income (a+b)</b>		<b>8346.14</b>	<b>8002.36</b>
<b>2 Expenses:</b>			
(a) Cost of Material Consumed		0.00	0.00
(b) Purchase of Stock-In-Trade	21	7069.58	7441.55
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(345.61)	(1404.70)
(d) Employee Benefits Expense	23	203.64	187.24
(e) Finance Costs	24	16.11	5.00
(f) Depreciation and Amortisation Expense	25	51.65	32.44
(g) Other Expenses	26	422.18	393.56
<b>Total Expenses (a to g)</b>		<b>7417.55</b>	<b>6655.09</b>
<b>3 Profit / (Loss) before tax (1 - 2)</b>		<b>928.59</b>	<b>1347.27</b>
<b>4 Tax Expenses</b>			
(a) Current tax	8	132.97	235.20
(b) Deferred tax	8	(213.93)	205.78
(c) Taxes in Respect of Earlier Years	8	(156.46)	(1.07)
<b>Total Tax Expenses (a+b+c)</b>		<b>(237.42)</b>	<b>439.91</b>
<b>5 Profit / (Loss) after tax (3 - 4)</b>		<b>1166.01</b>	<b>907.36</b>
<b>6 Other Comprehensive Income / (Loss)</b>			
(i) Items that will not be reclassified to profit / (loss)			
(a) Remeasurements of the defined benefit liabilities / (asset)	27	(1.27)	(1.11)
(ii) Income tax relating to items that will not be reclassified to profit or (loss)	27	0.00	0.00
Other Comprehensive Income / (Loss) for the year		<b>(1.27)</b>	<b>(1.11)</b>
<b>7 Total Comprehensive Income / (Loss) for the year (5 + 6)</b>		<b>1164.74</b>	<b>906.25</b>
<b>8 Basic and diluted earnings per Equity Share of face value of Rs.1/- each</b>	28	0.53	0.41
Material accounting policies	A to C		
The accompanying notes form an integral part of the financial statements	1 to 43		

As per our attached report of even date  
For **Sharp & Tannan Associates**,  
Chartered Accountants  
Firm Registration No. 109983W  
by the hand of

**CA Pramod Bhise**  
Partner  
Membership No.(F) 047751  
Pune, 27<sup>th</sup> May, 2025

For and on behalf of Board of Directors

**Alok P. Shah**  
Managing Director  
DIN: 00218180

**Paresh V. Chothani**  
Wholetime Director  
DIN: 00218632

**Chandresh S. Punjabi**  
Chief Financial Officer

**Mahek Gaurav Jaju**  
Company Secretary  
Surat, 27<sup>th</sup> May, 2025

## Cash Flow Statement for the year ended 31st March, 2025

	(Rs. in Lakhs)	
	2024-25	2023-24
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit/(Loss) before tax</b>	928.59	1347.27
<b>Adjustment for:</b>		
Depreciation and Amortisation Expense	51.65	32.44
Finance Costs	16.11	5.00
Interest Income	(890.05)	(544.04)
(Profit)/Loss on Redemption of Investments	(1126.74)	(257.34)
Mark to Market of bonds (EIR method)	(0.03)	(0.07)
Profit on Sale of Fixed Assets	(6.19)	(20.56)
Unrealised Gain on Investments	588.78	(1096.12)
	<u>(1366.47)</u>	<u>(1880.69)</u>
<b>Operating Profit before Working Capital Changes</b>	(437.88)	(533.42)
<b>Movements in Working Capital</b>		
(Increase) / Decrease in Provisions	12.96	(6.99)
(Increase) / Decrease in Trade and Other Receivables	(125.33)	(117.48)
(Increase) / Decrease in Inventories	(345.61)	(1404.70)
(Decrease) / Increase in Trade Payables	(11.51)	13.99
(Decrease) / Increase in Other Financial Liabilities	(3.32)	(4.27)
(Decrease) / Increase in Other Current Liabilities	(5.76)	8.31
	<u>(478.57)</u>	<u>(1511.14)</u>
<b>Cash Generated from Operations</b>	(916.45)	(2044.56)
Direct Taxes ( Paid ) / Refund.	44.68	(274.36)
<b>Net Cash Flow generated from / (used in) Operating Activities (A)</b>	<u>(871.77)</u>	<u>(2318.92)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(136.77)	(2.22)
Sale of Fixed Assets	6.45	22.11
Investment Property	(25.00)	0.00
Sale/Redemption of Bonds	500.00	450.00
Advances against Sale of Assets	0.00	6.25
Purchase/ Sale of Art & Artifacts	0.00	15.04
Purchase of Current Investments	(6725.00)	(6060.00)
Purchase of Alternate Investment Funds	(2437.12)	(2287.43)
Purchase of CCPS Share	0.00	(35.00)
Purchase of Equity Share	(1398.38)	0.00
Redemption of Debentures	228.30	0.00
Sale of Current Investments	10022.89	9516.58
Interest Income	889.52	544.00
Loans to Other Company/Firm	(0.14)	198.02
<b>Net Cash Flow generated from / (used in) Investing Activities (B)</b>	<u>924.75</u>	<u>2367.35</u>



## Cash Flow Statement for the year ended 31st March, 2025 (Contd.)

	(Rs. in Lakhs)	
	2024-25	2023-24
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Payment of Lease Liabilities	(26.64)	(18.13)
Interest (Paid) / Received	(16.11)	(5.00)
Fixed Deposit Interest	0.53	0.04
<b>Net Cash Flow generated from / (used in) from Financing Activities (C)</b>	<b>(42.22)</b>	<b>(23.09)</b>
<b>D. Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>10.76</b>	<b>25.34</b>
<b>E. Cash and Cash Equivalents at the beginning of the year</b>	<b>89.97</b>	<b>64.63</b>
<b>F. Cash and Cash Equivalents at the end of the year (Refer Note No.10)</b>	<b>100.73</b>	<b>89.97</b>
Material accounting policies	A to C	
The accompanying notes form an integral part of the financial statements	1 to 43	

### Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS 7) - "Statement of Cash Flows".
- There are no reconciliation items in relation to financing activities for which disclosure is required as per Ind AS 7.

As per our attached report of even date

For **Sharp & Tannan Associates,**

Chartered Accountants

Firm Registration No. 109983W

by the hand of

For and on behalf of Board of Directors

**Alok P. Shah**

Managing Director

DIN: 00218180

**Paresh V. Chothani**

Wholetime Director

DIN: 00218632

**CA Pramod Bhise**

Partner

Membership No.(F) 047751

Pune, 27<sup>th</sup> May, 2025

**Chandresh S. Punjabi**

Chief Financial Officer

**Mahek Gaurav Jaju**

Company Secretary

Surat, 27<sup>th</sup> May, 2025

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

### A Equity Share Capital \*

Particulars	As at 31 <sup>st</sup> March, 2025		As at 31 <sup>st</sup> March, 2024	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Balance at the beginning of the year	222064440	2220.64	222064440	2220.64
Add: during the year	0	0.00	0	0.00
Less: during the year	0	0.00	0	0.00
Balance at the end of the year	222064440	2220.64	222064440	2220.64

\*(Refer Note 11)

### B Other Equity\*

As at 31<sup>st</sup> March 2024

(Rs. in Lakhs)

Particulars	Capital Reserve	Retained Earnings	Other Comprehensive Income	Total
<b>Balance at the beginning of the reporting period i.e. 1<sup>st</sup> April, 2023</b>	(6.90)	17370.25	27.68	17391.03
Profit/(Loss) for the year	0.00	907.36	0.00	907.36
Other Comprehensive Income for the year	0.00	0.00	(1.11)	(1.11)
Balance at the end of the reporting period i.e. 31 <sup>st</sup> March, 2024	(6.90)	18277.61	26.57	18297.28

As at 31<sup>st</sup> March 2025

(Rs. in Lakhs)

Particulars	Capital Reserve	Retained Earnings	Other Comprehensive Income	Total
<b>Balance at the beginning of the reporting period i.e. 1<sup>st</sup> April, 2024</b>	(6.90)	18277.61	26.57	18297.28
Profit/(Loss) for the year	0.00	1166.01	0.00	1166.01
Other Comprehensive Income for the year	0.00	0.00	(1.27)	(1.27)
Transfer (to) / from retained earnings	0.00	(1.27)	1.27	0.00
Balance at the end of the reporting period i.e. 31 <sup>st</sup> March, 2025	(6.90)	19442.35	26.57	19462.02

\*(Refer Note 12)

As per our attached report of even date  
For **Sharp & Tannan Associates**,  
Chartered Accountants  
Firm Registration No. 109983W  
by the hand of

For and on behalf of Board of Directors

**Alok P. Shah**  
Managing Director  
DIN: 00218180

**Paresh V. Chothani**  
Wholetime Director  
DIN: 00218632

**CA Pramod Bhise**  
Partner  
Membership No.(F) 047751  
Pune, 27<sup>th</sup> May, 2025

**Chandresh S. Punjabi**  
Chief Financial Officer  
**Mahek Gaurav Jaju**  
Company Secretary  
Surat, 27<sup>th</sup> May, 2025

## Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2025

### A. Corporate Information

Surat Trade And Mercantile Limited (the 'Company') (Formerly known as Surat Textile Mills Limited) is domiciled in India. The Company's registered office is at 6th Floor, Tulsi Krupa Arcade, Puna-Kumbharia Road, Dumbhal, Surat-395010. The Company is listed on the Bombay Stock Exchange (BSE). The Company is presently engaged in the business of trading in commodities and commodity related activities.

### B. Material Accounting Policies

#### B.1. Basis for Preparation of Financial Statements:

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value and assets held for sale are measured at the lower of its carrying amount fair value less cost to sell at the end of each reporting period. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Financial Statements of the Company are presented in Indian currency (Rs. ), which is also the functional and presentation currency of the Company, and all values are rounded to the nearest Lakhs with two decimal, except when otherwise indicated.

The financial statements are approved for issue by the Company's Board of Directors on 27th May, 2025.

#### B.2. Key Sources of Estimation:

The preparation of financial statements in conformity with Ind AS requires that management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as on the date of the financial statements. Examples of such estimates include:

- (i) The useful lives and Residual value of Property, Plant and Equipment
- (ii) Income Tax Assets / Liabilities
- (iii) Allowance for Expected Credit Loss of Financial Assets
- (iv) Future Obligations in Respect of Retirement Benefit Plans
- (v) Differences, if any, between the actual results and estimates are recognised in the period in which the results are known
- (vi) Fair value of Investments

#### Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, which are described above, the Management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are

## Notes annexed to and forming part of the Financial Statements (Contd.)

based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### (i) Impairment of Property, Plant and Equipment:

Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. When the actual future cash flows are less than expected, a material impairment loss may arise.

### (ii) Useful Lives and Residual Value of Property, Plant and Equipment:

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there are no major changes required to the useful lives of assets.

### (iii) Provision for Litigations and Contingencies:

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods.

### (iv) Allowance for Expected Credit Losses :

The expected credit allowance is based on the ageing of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix.

### (v) Income Tax:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

### (vi) Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses judgement in assessing whether a contract (or part of contract) include a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed. The judgement involves assessment of whether the asset included in the contract is a fully or partly identified asset based on the facts and circumstances, whether the contract include a lease and non-lease component and if so, separation thereof for the purpose of recognition and measurement, determination of lease term basis, inter alia the non-cancellable period of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed are variable or a combination of both.

### B.3. Current versus Non-current Classification

Assets and liabilities are classified as Current or Non-Current as per the provisions of the Schedule III notified under the Companies Act, and the Company's normal operating cycle.

#### An asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle;

## Notes annexed to and forming part of the Financial Statements (Contd.)

- (ii) Held primarily for the purpose of trading;
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

**All other assets are classified as non-current.**

**A liability is current when:**

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

**All other liabilities are classified as non-current.**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of business and its activities, the Company has ascertained its operating cycle as twelve months for the purpose of Current & Non-Current classification of assets and liabilities.

### **B.4. Property, Plant and Equipments and Other Intangible Assets:**

**Property, plant and equipment** held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

**Intangible assets** acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Cost of a nonmonetary asset acquired in exchange of another non-monetary asset is measured at fair value. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

**Capital work-in-progress** for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

### **Depreciation Methods, Estimated Useful Lives and Residual Value**

Depreciation is recognized (other than on capital work-in-progress) on a straight line method over the estimated useful lives of assets. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement. The estimated useful lives of assets are stated below:

## Notes annexed to and forming part of the Financial Statements (Contd.)

Sr. No.	Category of Assets	Useful Life* (in Years)
<b>1</b>	<b>Buildings:</b>	
	(i) Factory Buildings	30
	(ii) Other Buildings	60
	(iii) Fences,Wells,Tube wells	5
<b>2</b>	<b>Plant and Machinery:</b>	
	(i) Continuous Process Plants	25
	(ii) Other	8 to 10
<b>3</b>	<b>Furniture and Fixtures</b>	10
4	Vehicles	8 to 10
5	Office Equipments	5
6	Electrical installations and Equipments	10
7	Computer Equipments	3 to 6
8	Property, plant and equipment individually costing Rs. 10,000 or less	1

*\*Estimated Useful life of assets consistent with the useful life specified in the Schedule II of the Companies Act, 2013.*

The economic useful lives of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

### **Freehold land is not depreciated.**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit and Loss.

### **Leases:**

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

## Notes annexed to and forming part of the Financial Statements (Contd.)

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

### B.5. Investment Property:

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2015 as the deemed cost under IND AS, regarded thereafter as historical cost. Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

### B.6. Impairment of Tangible Assets:

At the end of each reporting period, the Company reviews the carrying amounts of tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash generating unit to which an individual asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing, value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

### B.7. Inventories:

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

**Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale.

## Notes annexed to and forming part of the Financial Statements (Contd.)

### **B.8. Revenue Recognition:**

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

The Company applies the five-step approach for recognition of revenue.

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

Interest Income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset's net carrying amount on initial recognition.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is significant certainty about the collectability.

Revenue in respect of other income is recognised to the extent that the Company is reasonably certain of its ultimate realisation.

### **B.9. Foreign Currencies:**

The financial statements are presented in Indian rupees, which is the functional currency of the Company.

Transactions in currencies other than the Company's functional currency are recognized at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date. Non-monetary assets and liabilities denominated in a foreign currency are translated using the exchange rate prevailing at the date of initial recognition (in case measured at historical cost) or at the rate prevailing at the date when the fair value is determined (in case measured at fair value).

Foreign exchange differences are recognized in profit or loss in the period in which they arise except for exchange difference on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

### **B.10. Employee Benefits:**

#### **Short-term Employee Benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefit that is expected to be paid in exchange for that service.

#### **Other Long-term Employee Benefits**

The liability for earned leave is not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service.



## Notes annexed to and forming part of the Financial Statements (Contd.)

They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method with actuarial valuations being carried out at each balance sheet date. The benefits are discounted using the discount rates for government securities. at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

### Post-Employment Benefits

#### (i) Defined Contribution Plans:

Payments to defined contribution retirement benefit plans are recognized as expenses when the employees have rendered the service entitling them to the contribution.

**Provident Fund:** The employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' basic salary (currently 12% of employees' basic salary). The contributions as specified under the law are made to the provident fund and pension fund administered by the Regional Provident Fund Commissioner. The Company recognizes such contributions as an expense when incurred.

#### (ii) Defined Benefit Plans:

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of Profit or Loss in the period of plan amendment.

Defined benefit costs comprising service cost (including current and past service cost and gains and losses on curtailments and settlements) and net interest expense or income is recognized in profit and loss.

The defined benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation carried out at each balance sheet date using the projected unit credit method and the same is unfunded.

**Other benefit plans:** Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees.

## Notes annexed to and forming part of the Financial Statements (Contd.)

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the standalone statement of profit and loss and are not deferred.

### (iii) Termination Benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense in the period in which they are incurred.

### B.11. Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

### B.12. Taxation:

Income tax expense represents the sum of tax currently payable and deferred tax.

#### Current tax

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates that have been enacted or substantially enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on net basis.

#### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

## Notes annexed to and forming part of the Financial Statements (Contd.)

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

### Current tax and Deferred tax for the year

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

### B.13. Provisions and Contingent Liabilities:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**Contingent Liabilities** are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### B.14. Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit and loss.

#### (A) Financial Assets

##### a) Initial Recognition and Measurement

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

## Notes annexed to and forming part of the Financial Statements (Contd.)

### b) Subsequent Measurement

#### (i) Financial Assets Carried at Amortised Cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (ii) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (iii) Financial Assets at Fair Value through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. Fair value changes on an equity instrument is recognised in 'other income' in the standalone statement of profit and loss unless the Company has elected to measure such instrument at FVTOCI.

#### (iv) Investment in Subsidiaries, Associates and Joint Ventures

The Company accounts for its investments in subsidiaries, associates and joint venture at cost as per requirements of Ind AS 27.

### c) Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

### d) Derivative Financial Instruments

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

### e) Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

**Expected credit losses are measured through a loss allowance at an amount equal to:**

- \* The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); OR
- \* Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward booking estimates are analysed.

## Notes annexed to and forming part of the Financial Statements (Contd.)

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### f) Derecognition of Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109 – Financial Instruments.

For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognised in Profit or Loss and changes in fair value (other than on account of above income or expense) are recognised in Other Comprehensive Income and accumulated in Other equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in Other equity is reclassified to Profit and Loss. In case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to Profit and Loss on disposal of investments.

## (B) Financial Liabilities

### a) Initial Recognition and Measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

### b) Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### c) De-Recognition

Financial liabilities are derecognized when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability derecognized and the consideration paid or payable is recognized in the Statement of Profit and Loss.

### d) Foreign Exchange Gains and Losses

Financial liabilities denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in the Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in the Statement of Profit and Loss.

## Notes annexed to and forming part of the Financial Statements (Contd.)

### **B.15. Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash in hand and unencumbered, highly liquid bank and other balances (with original maturity of three months or less) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### **B.16. Statement of Cash Flow:**

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profits for the effects of:

- (i) Transactions of a non-cash nature.
- (ii) Any deferrals or accruals of past or future operating cash receipts or payments.
- (iii) Items of income or expense associated with investing or financing cash flows.
- (iv) Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

### **B.17. Events after Reporting Date:**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date only of material size or nature are disclosed.

### **B.18. Earnings per Share:**

The Company reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity holders of the parent entity by weighted average number of equity shares outstanding during the year as adjusted for the effects of the effects of all dilutive potential ordinary shares dilutive potential equity shares (except where the results are anti-dilutive).

## **C. Recent Accounting Pronouncements**

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2025, MCA has notified Ind AS 117 Insurance Contracts, amendments to Ind AS 116 - Leases, relating to sale and leaseback transactions, applicable w.e.f. April 1, 2024 and on May 7, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Company is currently assessing the probable impact of these amendments on its financial statements. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

## Notes annexed to and forming part of the Financial Statements (Contd.)

Note 1 : Property, Plants & Equipments, Right of Use Assets and Intangible Assets														(Rs. in Lakhs)
Description	Tangible Assets:									Right of Use Asset:	Intangible Assets	GRAND TOTAL		
	Freehold Land	Buildings	Plant & Machinery	Furniture & Fittings	Electrical Installations & Equipments	Motor Vehicles	Office Equipments	Computers & Data Processing Units	TOTAL					
GROSS BLOCK														
Balance as at 1 <sup>st</sup> April 2023	17.52	82.98	0.00	7.22	0.00	146.62	50.17	14.53	313.04	104.82	1.11	424.97		
Additions	0.00	0.00	0.00	0.00	0.00	0.32	0.00	1.28	1.61	182.62	0.33	184.55		
Deductions/Retirement	0.00	0.81	0.00	0.39	0.00	0.00	0.43	0.00	1.64	0.00	0.00	1.64		
Balance as at 31 <sup>st</sup> March 2024	17.52	82.17	0.00	6.83	0.00	146.94	49.74	15.81	319.01	287.44	1.44	607.89		
Additions	0.00	0.00	0.00	0.00	1.16	135.61	0.00	0.00	136.77	0.00	0.00	136.77		
Deductions/Retirement	0.00	0.19	0.00	0.00	0.00	0.81	0.00	0.00	1.00	0.00	0.00	1.00		
Balance as at 31 <sup>st</sup> March 2025	17.52	81.98	0.00	6.83	1.16	281.74	49.74	15.81	454.78	287.44	1.44	743.66		
ACCUMULATED DEPRECIATION														
Balance as at 1 <sup>st</sup> April 2023	0.00	17.25	0.00	3.13	0.00	68.95	38.56	8.02	135.91	91.48	0.55	227.94		
Additions	0.00	2.13	0.00	0.55	0.00	6.73	0.90	3.27	13.59	18.46	0.39	32.44		
Deductions/Retirement	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.12		
Balance as at 31 <sup>st</sup> March 2024	0.00	19.26	0.00	3.68	0.00	75.68	39.46	11.29	149.38	109.94	0.94	260.26		
Additions	0.00	2.10	0.00	0.54	0.59	25.76	0.00	1.91	30.91	20.48	0.26	51.65		
Deductions/Retirement	0.00	0.03	0.00	0.00	0.00	0.72	0.00	0.00	0.74	0.00	0.00	0.74		
Balance as at 31 <sup>st</sup> March 2025	0.00	21.34	0.00	4.22	0.59	100.73	39.46	13.20	179.55	130.42	1.20	311.17		
NET BLOCK														
Balance as at 31 <sup>st</sup> March 2024	17.52	62.90	0.00	3.15	0.00	71.26	10.27	4.52	169.63	177.50	0.50	347.63		
Balance as at 31 <sup>st</sup> March 2025	17.52	60.64	0.00	2.61	0.56	181.01	10.27	2.61	275.23	157.02	0.24	432.49		

## Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Note: 2 Investment Property</b>		
Land at Varachha	930.46	905.46
Land at Vareli	88.40	88.40
<b>Total</b>	<b>1018.86</b>	<b>993.86</b>

<b>Note 2.1 Reconciliation of Investment Property</b>			
	(Rs. in Lakhs)		
	Land at Varachha	Land at Vareli	Total
<b>Gross block</b>			
As at 1 <sup>st</sup> April, 2023	905.46	88.40	993.86
Additions	0.00	0.00	0.00
Disposals	0.00	0.00	0.00
As at 31 <sup>st</sup> March, 2024	905.46	88.40	993.86
Additions	25.00	0.00	25.00
Disposals	0.00	0.00	0.00
As at 31 <sup>st</sup> March, 2025	930.46	88.40	1018.86
<b>Depreciation and Impairment</b>			
As at 1 <sup>st</sup> April, 2023	0.00	0.00	0.00
Change for the year	0.00	0.00	0.00
Depreciation on disposals	0.00	0.00	0.00
As at 31 <sup>st</sup> March, 2024	0.00	0.00	0.00
Change for the year	0.00	0.00	0.00
Depreciation on disposals	0.00	0.00	0.00
As at 31 <sup>st</sup> March, 2025	0.00	0.00	0.00
<b>Net Block</b>			
As at 31 <sup>st</sup> March, 2024	905.46	88.40	993.86
As at 31 <sup>st</sup> March, 2025	930.46	88.40	1018.86



## Notes annexed to and forming part of the Financial Statements (Contd.)

### Note 2.2 Fair Value measurement of the Company's investment properties

The fair value of the Company's investment properties as at 31<sup>st</sup> March, 2025 have been arrived at on the basis of a valuation carried out by Shubh Lakshmi Valuers, independent valuer not related to the Company. Shubh Lakshmi Valuers is registered with the authority which governs the valuers in India, and has appropriate qualifications and experience in the valuation of properties in the relevant locations. The fair value was determined based on the market enquiry approach that reflects recent land rates for similar properties. Details of the Company's investment properties and information about the fair value hierarchy as at 31<sup>st</sup> March, 2025 is as follows:

Particulars	(Rs. in Lakhs)	
	Level 2	
	As at 31 <sup>st</sup> March 2025	Valuation Date
Land at Vareli*	6076.37	15 <sup>th</sup> May 2024
Land at Varachha	10085.53	24 <sup>th</sup> August 2023

\*There are two parcels of land at Vareli. One is classified as 'Freehold Land' under the Property, Plant & Equipment head, as there is no intention to sell it, and it is valued at cost. The second parcel is shown under the 'Investment Property' head, as it is held solely for capital appreciation, and it is also valued at cost. Therefore, the fair value mentioned above pertains to the land valued at cost under the head 'Investment Property'.

	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Note: 3 Investments</b>		
<b>Non-Current Investment</b>		
<b>Unquoted</b>		
<b>Amortised Cost</b>		
Investment in Compulsorily Convertible Preference Shares (CCPS)		
Healync Technologies Private Limited, FV Rs.10 each	35.00	35.00
350000 (31 March 2024 : 350000)		
	<b>35.00</b>	<b>35.00</b>
<b>Unquoted</b>		
<b>Amortised Cost</b>		
<b>Investment in Alternative Investment Fund (AIF)</b>		
Avendus Future Leaders Fund II	300.00	249.00
Avendus Structured Credit Fund II	824.34	490.00
Ask Private Credit Fund	290.00	25.00
Bepa Credit India Fund III Scheme F	438.60	345.00
Blume Ventures India Fund IV	60.00	43.00
Edelweiss-Isaf III Onshore Fund	1049.25	853.77
Hdfc Amc Select Aif Fof-I	80.00	0.00
Incred Credit Opportunities Fund I	500.00	500.00
Incred Credit Opportunities Fund II	500.00	137.00
Incred Growth Partners Fund I	200.00	0.00
Incred Special Opportunities Fund I	500.00	0.00
Infrastructure Yield Plus IIA	382.45	350.65
Innoven Capital India Fund	700.00	560.00

## Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
Kae Capital Fund III	70.00	50.00
Stride RTI Opportunities Fund I	91.13	100.00
Stride Venture Debt Fund II	700.00	700.00
Trifecta Venture Debt Fund III	400.00	370.00
True North Credit Opportunities Fund I	520.00	395.19
Waterbridge Ventures II Trust	140.00	135.00
	<b>7745.77</b>	<b>5303.61</b>
<b>Total Non-Current Investments</b>	<b>7780.77</b>	<b>5338.61</b>
<b>Current Investment</b>		
<b>Quoted</b>		
<b>Amortised Cost</b>		
<b>Investment in Public Sector Unit (PSU) Bonds</b>		
Bank of Baroda - 8.25% Perpetual Bond, FV Rs.10,00,000 each 50 (31 March 2024 : 50)	500.11	500.29
SBI Bank - 8.75% Perpetual Bond, FV Rs.10,00,000 each 00 (31 March 2024 : 50)	0.00	501.22
	<b>500.11</b>	<b>1001.51</b>
<b>Quoted</b>		
<b>Fair Value through Profit and Loss</b>		
<b>Investment in Equity Shares</b>		
Swiggy Limited FV.of Rs.10 each 170000 (31 March 2024 : 00)	561.34	0.00
	<b>561.34</b>	<b>0.00</b>
<b>Quoted</b>		
<b>Fair Value through Profit and Loss</b>		
<b>Investment in Mutual Funds</b>		
ABSL Income Fund - Growth of Rs 10/- each 142608.589 (31 March 2024 : 503664.664)	190.02	615.39
ABSL Savings Fund Growth of Rs 10/- each 1275.320 (31 March 2024 : 6158.370)	6.97	31.17
HDFC Flexi Cap Fund - Direct Plan - Growth of Rs 10/- each 17134.746 (31 March 2024 : 00)	345.17	0.00
HDFC Ultra Short Term Fund Growth of Rs.10/- each 34951.612 (31 March 2024 : 198792.186)	5.31	28.01
ICICI Prudential Corporate Bond Fund - Growth of Rs 10/- each 2174282.907 (31 March 2024 : 3229079.595)	664.28	908.84

## Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
ICICI Prudential Ultra Short Term Fund Growth of Rs 10/- each 36975.274 (31 March 2024 : 49643.496)	10.85	13.52
Invesco India Contra Fund Growth- of Rs 10/- each 375963.800 (31 March 2024 : 375963.800)	544.28	471.95
Invesco India EQQQ NASDAQ-100 ETF Fund of Fund Growth of Rs 10/- each 3076264.415 (31 March 2024 : 3076264.415)	469.44	437.20
Kotak Equity Opportunities Fund Growth- of Rs 10/- each 198282.218 (31 March 2024 : 198282.218)	705.65	642.95
Nippon India Corporate Bond Fund - Growth of Rs 10/- each 1022909.293 (31 March 2024 : 1022909.293)	628.71	576.90
Nippon India ETF Nifty 50 BeES Growth- of Rs 1/- each 148500 (31 March 2024 : 149000)	390.92	368.06
Nippon India Flexi Cap Fund - Direct Growth of Rs 10/- each 1730556.233 (31 March 2024 : 00)	277.84	0.00
Nippon India Ultra Short Term Fund - Growth of Rs 10/- each 544.392 (31 March 2024 : 544.392)	23.71	21.95
ABSL Corporate Bond Fund - Growth of Rs 10/- each 00 (31 March 2024 : 100665.362)	0.00	103.93
ABSL CRISIL IBX 60:40 SDL + AAA PSU - Apr 2027 Index Fund Growth of Rs 10/- each 00 (31 March 2024 : 4060120.056)	0.00	449.48
ABSL Nifty SDL Apr 2027 Index Fund Growth of Rs 10/- each 00 (31 March 2024 : 4970622.167)	0.00	557.84
ICICI Prudential Nifty SDL Sep 2027 Index Fund Growth of Rs 10/- each 00 (31 March 2024 : 5078305.548)	0.00	564.19
Kotak Nifty SDL APR 2027 top 12 Equal Weight Index Fund Growth of Rs 10/- each 00 (31 March 2024 : 2699603.049)	0.00	299.79

## Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
Nippon India Fund CPSE ETF (RGESS) Growth- of Rs 10/- each 00 (31 March 2024 : 800000.000)	0.00	640.07
PGIM India Flexi Cap Fund - Growth of Rs 10/- each 00 (31 March 2024 : 369803.995)	0.00	132.61
SBI Nifty 50 ETF Growth of Rs. 10/- each 00 (31 March 2024 : 50000.000)	0.00	116.76
	<b>4263.15</b>	<b>6980.61</b>
<b>Unquoted At Cost</b>		
<b>Investment in Equity Shares</b>		
National Stock Exchange of India Ltd FV.of Rs.1 each 16250 (31 March 2024 : 00)	194.19	0.00
Oravel Stays Limited FV of Rs.1 each 1200000 (31 March 2024 : 00)	600.69	0.00
	<b>794.88</b>	<b>0.00</b>
<b>Unquoted Amortised Cost</b>		
<b>Investment in Debentures</b>		
KKR India Financial Services Limited-NCD FV.of Rs.10,00,000 each 00 (31 March 2024 : 20)	0.00	228.30
	<b>0.00</b>	<b>228.30</b>
<b>Total Current Investments</b>	<b>6119.48</b>	<b>8210.42</b>
<b>Total Investments</b>	<b>13900.25</b>	<b>13549.03</b>
Aggregate Market Value of Quoted Investments	5324.60	7982.12
Aggregate Carrying Value of Quoted Investments	4311.24	6408.27
Aggregate Carrying Value of Unquoted Investments	8575.65	5566.91
Aggregate Value of Impairment of Investments	0.00	0.00

## Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Note: 4 Loans and Advances</b>		
<b>Current</b>		
<b>Unsecured, Considered Good</b>		
Inter Corporate Deposits (ICD's)	500.00	500.00
Loans to Employees	6.07	5.93
<b>Total</b>	<b>506.07</b>	<b>505.93</b>

	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Note: 5 Other Financial Assets</b>		
<b>Current</b>		
Income Receivables - Interest		
On Bonds and AIF	151.28	93.02
On ICDs	40.50	45.12
Other Interest	0.07	0.10
<b>Total</b>	<b>191.85</b>	<b>138.24</b>

	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Note: 6 Non-Current Tax Assets</b>		
Advance Income Tax (Net of Provision)	32.53	42.86
<b>Total</b>	<b>32.53</b>	<b>42.86</b>

	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Note: 7 Other Assets</b>		
<b>Non-Current</b>		
<b>Unsecured, Considered Good</b>		
Deposits - Receivable Long term	6.55	6.73
Paintings & Artifacts	3884.23	3884.23
	<b>3890.78</b>	<b>3890.96</b>
<b>Current</b>		
<b>Unsecured, Considered Good</b>		
Advance to Suppliers	37.90	18.91
Prepaid Expenses	13.76	13.22
Balance with Customs, GST and State Authorities	216.66	164.29
	<b>268.32</b>	<b>196.42</b>
<b>Total</b>	<b>4159.10</b>	<b>4087.38</b>

## Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Note: 8 Taxes on Income</b>		
The Major Components of Income Tax Expense for the year ended March 2025 and March 2024 are:		
<b>(i) Statement of Profit and Loss</b>		
Current Tax Expense	132.97	235.20
Deferred Tax Expense	(213.93)	205.78
Short/(Excess) Provision of tax for earlier years	(156.46)	(1.07)
<b>Total Income Tax Expense</b>	<b>(237.42)</b>	<b>439.91</b>
<b>(ii) Other Comprehensive Income</b>		
Deferred Tax relating to Net Gain/(Loss) on Re-measurement of Defined Benefit Plans	0.00	0.00
<b>(iii) Reconciliation of Effective Tax Rate</b>		
Income before tax	928.59	1346.15
Enacted Tax Rate in India*	14.32%	17.47%
Expected Tax Expense	132.97	235.20
<b>Tax Effect of :</b>		
Exempted Income	0.00	0.00
Expenses disallowed	0.00	0.00
Other Items	0.00	0.00
<b>Current Tax Provision (A)</b>	<b>132.97</b>	<b>235.20</b>
Incremental deferred Tax liability on account of depreciation on property, Plant and Equipment and Intangible Assets	(8.25)	(3.86)
Incremental deferred Tax liability / (Asset) on account of financial asset and other items	(205.68)	209.63
<b>Deferred Tax Provision (B)</b>	<b>(213.93)</b>	<b>205.78</b>
<b>Taxes in respect of earlier years (C)</b>	<b>(156.46)</b>	<b>(1.07)</b>
<b>Tax Expense recognised in statement of profit and loss (A+B+C)</b>	<b>(237.42)</b>	<b>439.91</b>

\*(Enacted Standard Corporate Tax Rate is 22%+Applicable Surcharge+4% Edu.Cess)

## Notes annexed to and forming part of the Financial Statements (Contd.)

				(Rs. in Lakhs)
	Opening Balance as on 01/04/2024	Recognised in P & L	Recognised in OCI	Closing Balance as on 31/03/2025
<b>(iv) Movement of Deferred Tax</b>				
<b>Tax effect of Items Constituting Deferred Tax Liabilities:</b>				
Unrealised Gain on MF Investments	350.80	(205.68)	0.00	145.12
<b>Total Deferred Tax Liabilities</b>	<b>350.80</b>	<b>(205.68)</b>	<b>0.00</b>	<b>145.12</b>
<b>Tax effect of Items Constituting Deferred Tax Assets:</b>				
Property Plant and Equipments	0.14	(2.62)	0.00	(2.48)
Employees Benefits	0.00	0.00	0.00	0.00
Long Term Capital Loss	0.00	14.01	0.00	14.01
Effect of 43B	7.08	(4.80)	0.00	2.27
Effect of Lease Asset	0.77	1.66	0.00	2.43
<b>Total Deferred Tax Assets</b>	<b>7.99</b>	<b>8.25</b>	<b>0.00</b>	<b>16.23</b>
<b>Deferred Income Tax Assets/(Liabilities) after Set Off</b>	<b>(342.82)</b>	<b>213.93</b>	<b>0.00</b>	<b>(128.89)</b>

			(Rs. in Lakhs)
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024	
<b>Note: 9 Inventories (at lower of cost and net realisable value)</b>			
Stock in trade	1750.31	1404.70	
<b>Total</b>	<b>1750.31</b>	<b>1404.70</b>	

			(Rs. in Lakhs)
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024	
<b>Note: 10 Cash and Cash Equivalents</b>			
Cash on Hand	1.23	0.85	
Balances with Banks in Current Accounts	49.50	86.28	
Fixed Deposits with Banks (maturity in less than 3 months)	50.00	2.84	
<b>Total</b>	<b>100.73</b>	<b>89.97</b>	

## Notes annexed to and forming part of the Financial Statements (Contd.)

(Rs. in Lakhs)

	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Note: 11 Equity Share Capital</b>		
<b>Authorised Share Capital</b>		
84,00,00,000 (84,00,00,000) Equity Shares of Rs.1/- each	8400.00	8400.00
<b>Total</b>	<b>8400.00</b>	<b>8400.00</b>
<b>Issued, Subscribed and Paid up *</b>		
22,20,64,440 (22,20,64,440) Equity Shares of Rs. 1/- each fully paid up	2220.64	2220.64
<b>Total</b>	<b>2220.64</b>	<b>2220.64</b>

\* There was no change in Issued, Subscribed and Paid up share capital of the Company during the year and the immediately preceding financial year.

### 11.01 Rights, Preferences and Restrictions

#### Equity Shares

- The Company has only one class of equity shares referred to as equity shares having a par value of Rs. 1. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. At present, there is no outstanding Preference Shares.

### 11.02 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholder	As at 31 <sup>st</sup> March, 2025		As at 31 <sup>st</sup> March, 2024		% Change during the year
	No. of Shares	% to total shares	No. of Shares	% to total shares	
Mr. Alok Praful Shah	89381990	40.25	54960680	24.75	15.50
Mr. Praful A. Shah (Individual)	0	0.00	37189142	16.75	-16.75
Mr. Suhail Praful Shah	56073365	25.25	21652056	9.75	15.50
Mrs. Shilpa Praful Shah	0	0.00	21652056	9.75	-9.75

### 11.03 Details of shares held by the promoters

Name of the Promoter	As at 31 <sup>st</sup> March, 2025		As at 31 <sup>st</sup> March, 2024		% Change during the year
	No. of Shares	% to total shares	No. of Shares	% to total shares	
Mr. Alok Praful Shah	89381990	40.25	54960680	24.75	15.50
Mr. Praful A. Shah (Individual)	0	0.00	37189142	16.75	-16.75
Mr. Suhail Praful Shah	56073365	25.25	21652056	9.75	15.50
Mrs. Shilpa Praful Shah	0	0.00	21652506	9.75	-9.75
Mr. Praful Amichand Shah (HUF)	0	0.00	10000971	4.50	-4.50
Palomar Textiles Limited	6545820	2.95	6545820	2.95	0.00
Introscope Properties Private Limited	1700	0.00	1700	0.00	0.00
Prabhat Silk Mills Limited (Partner Rayban Investments)	1000	0.00	1000	0.00	0.00
Deepika A. Shah	521	0.00	521	0.00	0.00
Alok P. Shah (HUF)	521	0.00	521	0.00	0.00
	<b>152004917</b>	<b>68.45</b>	<b>152004917</b>	<b>68.45</b>	



## Notes annexed to and forming part of the Financial Statements (Contd.)

**11.04 For the period of five years immediately preceding the date as at which the balance sheet is prepared, no shares are**

- i) Allotted any equity shares for consideration other than cash.
- ii) Allotted as fully paid shares by way of bonus shares.
- iii) Bought back.

	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Note: 12 Other Equity#</b>		
<b>Retained Earnings</b>		
Balance as per last Balance Sheet	18277.61	17370.25
Add: Profit/(Loss) for the Year	1166.01	907.36
	<b>19443.62</b>	<b>18277.61</b>
<b>Other Comprehensive Income</b>		
Balance as per last Balance Sheet	26.57	27.68
Add: OCI for the year	(1.27)	(1.11)
Less: Transfer to retained earnings	0.00	0.00
	<b>25.30</b>	<b>26.57</b>
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	(6.90)	(6.90)
Less: Transfer to retained earnings	0.00	0.00
	<b>(6.90)</b>	<b>(6.90)</b>
<b>Total</b>	<b>19462.02</b>	<b>18297.28</b>

# Refer Statement of changes in Equity for Movement in Each Reserves and Surplus.

### Nature and Purpose of Reserves

**Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**Capital Reserve:** The excess of fair value of net assets acquired over consideration paid in a common control transaction is recognised as capital reserve. The Company had recognised capital reserve representing the difference between the net identifiable assets acquired and consideration paid, on amalgamation of Vareli Trading Company Limited with the Company.

**Other Comprehensive income:** Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other Ind AS.

### Items of Other Comprehensive Income

- i) **Remeasurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.
- ii) **Equity Instruments through Other Comprehensive Income:** The fair value change of the equity instruments measured at fair value through other comprehensive income is recognised in Equity instruments through Other Comprehensive Income. Upon de-recognition, the cumulative fair value changes on the said instruments will not be reclassified to the Statement of Profit and Loss.

## Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Note: 13 Lease Liabilities*</b>		
<b>Non-Current</b>		
Lease Liabilities - Building	157.92	169.53
<b>Current</b>		
Lease Liabilities - Building	11.61	10.59
<b>Total</b>	<b>169.53</b>	<b>180.12</b>

\* Refer Note 32

	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Note: 14 Provisions*</b>		
<b>Non-Current</b>		
Leave Benefits	5.40	9.35
Gratuity Benefits	16.47	13.21
	<b>21.87</b>	<b>22.56</b>
<b>Current</b>		
Leave Benefits	16.31	5.72
Gratuity Benefits	7.03	3.97
	<b>23.34</b>	<b>9.69</b>
<b>Total</b>	<b>45.21</b>	<b>32.25</b>

\* Refer Annexure 1 of Note 23

	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Note: 15 Tax Liabilities</b>		
<b>Non-Current</b>		
Deferred Tax Liabilities	128.89	342.82
<b>Total</b>	<b>128.89</b>	<b>342.82</b>
<b>Current</b>		
Income Tax Liabilities (net)	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

## Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Note: 16 Trade Payables</b>		
a) Acceptances	0.00	0.00
b) Payable to Others		
i) Payable to Micro and Small Enterprises *	0.00	0.00
ii) Others including Creditors for Expenses #	22.16	33.67
<b>Total</b>	<b>22.16</b>	<b>33.67</b>

# Refer Note 35.02 for Amount payable to Related Parties.

\*Information in Respect of Micro, Small and Medium Enterprises as at 31<sup>st</sup> March, 2025 as disclosure requirement under MSMED act, 2006 are applicable.

	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
(a) Principal Amount Due	Nil	Nil
(b) Interest on Principal Amount Due	Nil	Nil
(c) Interest and Principal Amount paid beyond appointment day	Nil	Nil
(d) The Amount of Interest Due and Payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSMED Act.	Nil	Nil
(e) The Amount of Interest accrued and remaining unpaid at the end of the year	Nil	Nil
(f) The Amount of further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.  Dues to Small and medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.	Nil	Nil

## Notes annexed to and forming part of the Financial Statements (Contd.)

**Trade Payables ageing Schedule as at 31<sup>st</sup> March, 2025**

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
(a) MSME	0.00	0.00	0.00	0.00	0.00
(b) Others	22.16	0.00	0.00	0.00	22.16
(c) Disputed Dues - MSME	0.00	0.00	0.00	0.00	0.00
(d) Disputed Dues - Others	0.00	0.00	0.00	0.00	0.00

**Trade Payables ageing Schedule as at 31<sup>st</sup> March, 2024**

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	0.00	0.00	0.00	0.00	0.00
(b) Others	33.67	0.00	0.00	0.00	33.67
(c) Disputed Dues - MSME	0.00	0.00	0.00	0.00	0.00
(d) Disputed Dues - Others	0.00	0.00	0.00	0.00	0.00

(Rs. in Lakhs)

	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Note: 17 Other Financial Liabilities</b>		
<b>Non Current</b>		
Payable - Deposits	4.50	5.00
	<b>4.50</b>	<b>5.00</b>
<b>Current</b>		
Payable - Employees Benefit Expenses	16.29	18.88
Payable - Expenses	13.00	13.23
	<b>29.29</b>	<b>32.11</b>
<b>Total</b>	<b>33.79</b>	<b>37.11</b>

(Rs. in Lakhs)

	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Note: 18 Other Current Liabilities</b>		
Advances against Sale of Assets	0.00	6.25
Goods and Services Tax	1.84	1.34
Payable - Expenses	2.07	1.94
Payable - TDS	6.04	6.18
<b>Total</b>	<b>9.95</b>	<b>15.71</b>

## Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	2024-25	2023-24
<b>Note: 19 Revenue from Operations</b>		
<b>Sale of Products</b>		
- Traded Goods	7090.04	5968.46
<b>Other Operating Revenue</b>		
- Profit (Loss) on Commodity MTM	(226.34)	87.82
- Others	0.00	0.09
<b>Total</b>	<b>6863.70</b>	<b>6056.37</b>

	(Rs. in Lakhs)	
	2024-25	2023-24
<b>Note: 20 Other Income</b>		
<b>Interest Income</b>		
Bank Deposits	0.53	0.04
Investments in Bonds (At Amortized Cost)	56.24	90.45
Investments in Alternate Investment Fund (At Amortized Cost)	757.82	402.34
On Debentures	23.00	0.00
On Loans and Advances	44.88	51.21
On Income Tax Refund	7.23	0.00
Others	0.35	0.00
<b>Other Non-Operating Income</b>		
Unrealised gain/(loss) on Current Investments (FVTPL)	(588.78)	1096.12
Profit on Sale of Current Investments	1126.74	257.34
Profit on Sale of Fixed Assets	6.19	20.56
Credit Balance Written Back	0.50	0.00
Capital Gain on AIF	47.69	27.81
Miscellaneous Receipts	0.05	0.12
<b>Total</b>	<b>1482.44</b>	<b>1945.99</b>

	(Rs. in Lakhs)	
	2024-25	2023-24
<b>Note: 21 Purchase of Stock-In-Trade</b>		
Purchases	7069.58	7433.91
Cost of Goods Sold - Paintings	0.00	7.64
<b>Total</b>	<b>7069.58</b>	<b>7441.55</b>

## Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	2024-25	2023-24
<b>Note: 22 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
<b>Opening Stock</b>		
Stock-in-trade	1404.70	0.00
	<b>1404.70</b>	<b>0.00</b>
<b>Less: Closing Stock</b>		
Stock-in-trade	1750.31	1404.70
	<b>1750.31</b>	<b>1404.70</b>
<b>Total</b>	<b>(345.61)</b>	<b>(1404.70)</b>

	(Rs. in Lakhs)	
	2024-25	2023-24
<b>Note: 23 Employee Benefits Expense</b>		
Salaries and Wages	173.24	155.67
Contribution to Provident and Other Funds	11.41	10.59
Gratuity	5.05	4.27
Staff Welfare Expenses	13.94	16.71
<b>Total</b>	<b>203.64</b>	<b>187.24</b>

### (a) Defined Contribution Plan:

The Company has Recognized Rs.8.35 Lakhs for Provident Fund contribution in the Statement of Profit and Loss for the year ended March 31, 2025 (Previous Year Rs.7.32 Lakhs)

### (b) Defined Benefit Plan:

The present value of obligation is determined based on actuarial valuation. These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

- i) **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.
- ii) **Interest Risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
- iii) **Longevity Risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- iv) **Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability

## Notes annexed to and forming part of the Financial Statements (Contd.)

As per Ind AS 19 "Employee benefits", the disclosures as defined in the Accounting Standards are given below:

### Annexure 1 : Funded status of the plan

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits*	
	31/03/2025 (12 months)	31/03/2024 (12 months)	31/03/2025 (12 months)	31/03/2024 (12 months)
Present value of unfunded obligations	23.50	17.18	21.70	15.07
Present value of funded obligations	0.00	0.00	0.00	0.00
Fair value of plan assets	0.00	0.00	0.00	0.00
<b>Net Liability (Asset)</b>	<b>23.50</b>	<b>17.18</b>	<b>21.70</b>	<b>15.07</b>

\* The value of discontinuance liability (if all the accrued benefits were to settle immediately) as at the valuation date is Rs.21.44 Lakhs.

### Bifurcation of liability as per schedule III

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2025 (12 months)	31/03/2024 (12 months)	31/03/2025 (12 months)	31/03/2024 (12 months)
Current Liability*	7.03	3.97	16.31	5.72
Non-Current Liability	16.47	13.21	5.39	9.35
<b>Net Liability</b>	<b>23.50</b>	<b>17.18</b>	<b>21.70</b>	<b>15.07</b>

\* The current liability is calculated as expected benefits for the next 12 months.

### Annexure 2 : Profit and Loss account for the current period

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2025 (12 months)	31/03/2024 (12 months)	31/03/2025 (12 months)	31/03/2024 (12 months)
<b>Service cost:</b>				
Current service cost	3.96	3.41	4.07	3.83
Past service cost and loss/(gain) on curtailments and settlement	0.00	0.00	0.00	0.00
Net interest cost	1.09	0.86	0.87	0.78
Net value of remeasurements on the obligation and plan assets	0.00	0.00	4.43	(0.95)
<b>Total included in 'Employee Benefit Expense'</b>	<b>5.05</b>	<b>4.27</b>	<b>9.38</b>	<b>3.65</b>
<b>Total Charge to Profit and Loss</b>	<b>5.05</b>	<b>4.27</b>	<b>9.38</b>	<b>3.65</b>

### Components of actuarial gain/losses on obligation

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2025 (12 months)	31/03/2024 (12 months)	31/03/2025 (12 months)	31/03/2024 (12 months)
Due to Change in financial assumptions	0.57	0.16	0.22	0.07
Due to change in demographic assumption	0.00	0.00	0.00	0.00
Due to experience adjustments	0.71	0.95	4.21	(1.02)
Return on plan assets excluding amounts included in interest income	0.00	0.00	0.00	0.00
<b>Amounts recognized in Other Comprehensive Income</b>	<b>1.28</b>	<b>1.11</b>	<b>4.43</b>	<b>(0.95)</b>

## Notes annexed to and forming part of the Financial Statements (Contd.)

**Annexure 3: Reconciliation of defined benefit obligation**

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2025 (12 months)	31/03/2024 (12 months)	31/03/2025 (12 months)	31/03/2024 (12 months)
Opening Defined Benefit Obligation	17.18	11.80	15.07	13.45
Transfer in/(out) obligation	0.00	0.00	0.00	0.00
Current service cost	3.96	3.41	4.07	3.83
Interest cost	1.09	0.86	0.87	0.78
Components of actuarial (gain)/losses on obligations:				
Due to Change in financial assumptions	0.57	0.16	0.22	0.07
Due to change in demographic assumption	0.00	0.00	0.00	0.00
Due to experience adjustments	0.71	0.95	4.21	(1.02)
Past service cost	0.00	0.00	0.00	0.00
Loss (gain) on curtailments	0.00	0.00	0.00	0.00
Liabilities extinguished on settlements	0.00	0.00	0.00	0.00
Liabilities assumed in an amalgamation in the nature of purchase	0.00	0.00	0.00	0.00
Exchange differences on foreign plans	0.00	0.00	0.00	0.00
Benefits paid	0.00	0.00	(2.74)	(2.04)
<b>Closing Defined Benefit Obligation</b>	<b>23.50</b>	<b>17.18</b>	<b>21.70</b>	<b>15.07</b>

**Annexure 4: Reconciliation of net defined benefit liability**

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2025 (12 months)	31/03/2024 (12 months)	31/03/2025 (12 months)	31/03/2024 (12 months)
Net opening provision in books of accounts	17.18	11.80	15.07	13.45
Transfer in/(out) obligation	0.00	0.00	0.00	0.00
Transfer (in)/out plan assets	0.00	0.00	0.00	0.00
Employee Benefit Expense as per Annexure 2	5.05	4.27	9.38	3.65
Amounts recognized in Other Comprehensive (Income) / Expense	1.27	1.11	0.00	0.00
<b>Total</b>	<b>23.50</b>	<b>17.18</b>	<b>24.44</b>	<b>17.11</b>
Benefits paid by the Company	0.00	0.00	(2.74)	(2.04)
Contributions to plan assets	0.00	0.00	0.00	0.00
<b>Closing provision in books of accounts</b>	<b>23.50</b>	<b>17.18</b>	<b>21.70</b>	<b>15.07</b>

**Annexure 5: Principle actuarial assumptions**

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2025 (12 months)	31/03/2024 (12 months)	31/03/2025 (12 months)	31/03/2024 (12 months)
Discount Rate	6.55% p.a.	7.15% p.a.	6.55% p.a.	7.15% p.a.
Salary Growth Rate	7.00% p.a.	7.00% p.a.	7.00% p.a.	7.00% p.a.
Withdrawal Rates	2% at all ages	2% at all ages	2% at all ages	2% at all ages
Leave Availment Rate			0% p.a.	0% p.a.
Leave Encashment Rate			0% p.a.	0% p.a.



## Notes annexed to and forming part of the Financial Statements (Contd.)

### Annexure 6: Maturity Profile of Defined Benefit Obligation

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	Cash flows	%	Cash flows	%
Year 1	7.03	23.40%	16.31	64.50%
Year 2	2.27	7.60%	2.43	9.60%
Year 3	2.08	6.90%	1.52	6.00%
Year 4	1.59	5.30%	0.28	1.10%
Year 5	0.71	2.40%	0.15	0.60%
Year 6 to Year 10	11.57	38.60%	2.30	9.10%

The future accrual is not considered in arriving at the above cash-flows.

The Expected contribution for the next year is Rs. 7.03 Lakhs.

The Weighted Average Duration (Years) as at valuation date is 4.08 years.

### Annexure 7: Sensitivity to key assumptions

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2025 (12 months)	31/03/2024 (12 months)	31/03/2025 (12 months)	31/03/2024 (12 months)
<b>Discount rate Sensitivity</b>				
Increase by 0.5%	23.02	16.78	21.51	14.90
(% change)	-2.03%	-2.31%	-0.86%	1.11%
Decrease by 0.5%	24.00	17.59	21.90	15.24
(% change)	2.13%	2.43%	0.90%	1.15%
<b>Salary growth rate Sensitivity</b>				
Increase by 0.5%	23.99	17.59	21.90	15.24
(% change)	2.07%	2.38%	0.90%	1.14%
Decrease by 0.5%	23.03	16.78	21.51	14.90
(% change)	-1.99%	-2.28%	-0.86%	-1.12%
<b>Withdrawal rate (W.R.) Sensitivity</b>				
W.R. x 110%	23.50	17.17	21.71	15.07
(% change)	-0.01%	-0.02%	0.02%	0.03%
W.R. x 90%	23.50	17.18	21.70	15.06
(% change)	0.00%	0.02%	-0.02%	-0.03%

#### A description of methods used for sensitivity analysis and its Limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters.

Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

## Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	2024-25	2023-24
<b>Note: 24 Finance Costs</b>		
Interest on Lease Liabilities*	16.04	4.71
Other Financial Charges	0.07	0.29
<b>Total</b>	<b>16.11</b>	<b>5.00</b>

\* Refer Note 32

	(Rs. in Lakhs)	
	2024-25	2023-24
<b>Note: 25 Depreciation and Amortisation Expense</b>		
Depreciation on Tangible Assets	30.91	13.59
Depreciation on Right to Use Assets*	20.48	18.46
Amortisation of Intangible Assets	0.26	0.39
<b>Total</b>	<b>51.65</b>	<b>32.44</b>

\* Refer Note 32

	(Rs. in Lakhs)	
	2024-25	2023-24
<b>Note: 26 Other Expenses</b>		
<b>Trading Expenses</b>		
Brokerage Expense	6.98	5.72
Rent - Other Vault	8.63	3.80
Other Trading Expenses	0.67	0.00
	<b>16.28</b>	<b>9.52</b>
<b>Administrative &amp; General Expenses</b>		
Legal and Professional Charges	143.99	151.37
General Charges	108.23	96.01
Rent	64.50	69.38
Repairs & Maintenance	37.99	25.60
Auditors' Remuneration (Refer Note 26.01)	9.17	13.66
Rates and Taxes	11.27	10.83
CSR Expenses	10.60	0.00
Insurance	8.34	7.61
Power and Fuel	5.33	4.28
Factory Expenses	3.77	5.30
Bad Debts And Advances Written Off	1.71	0.00
Donation Expense	1.00	0.00
	<b>405.90</b>	<b>384.04</b>
<b>Total</b>	<b>422.18</b>	<b>393.56</b>

## Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	2024-25	2023-24
<b>26.01 Payment to Auditors:</b>		
Statutory Audit Fees	5.25	5.89
Limited review	3.75	3.75
Certification Fees	0.00	3.91
Reimbursement of out of Pocket Expenses	0.17	0.11
<b>Total</b>	<b>9.17</b>	<b>13.66</b>

**26.02 Corporate Social Responsibility:**

- (a) In compliance with the guidelines prescribed under Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility (CSR) Committee of the Board. The CSR Committee of the Company has laid down the policy to meet the Corporate Social Responsibility. The CSR Policy includes any activity that may be prescribed as CSR activity as per the Rules of the Companies Act, 2013. As per section 135 of the Companies Act, 2013 ('Act'), a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.
- (b) For the F.Y. 2024-25, the provisions of Section 135 (1) of the Companies Act, 2013 were applicable. The amount has been spent by the Company during the Financial year 2024-25 Rs.10.60 Lacs (Previous year: Rs. NIL) towards the CSR activities.
- (c) The Company has spent an aggregate amount of Rs.10.60 Lakhs (Previous Year NIL) for promotion of national heritage, art and culture, Conservation of natural resources and Education etc.

	(Rs. in Lakhs)	
<b>The amounts expended are as follows:</b>	2024-25	2023-24
I) Construction / acquisition of any asset	0.00	0.00
II) for purposes other than (i) above	<b>10.60</b>	<b>0.00</b>
(i) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year:	NIL	NIL
(ii) The total of previous years' shortfall amounts;	NIL	NIL
(iii) The reason for above shortfalls by way of a note;	<b>N.A</b>	<b>N.A</b>
(iv) The nature of CSR activities undertaken by the Company.	Refer Note 26.02 (c) above	N.A

## Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	2024-25	2023-24
<b>Note: 27 Other Comprehensive Income</b>		
<b>Items that will not be Reclassified to Profit or (Loss)</b>		
<b>(i) Changes in Revaluation Surplus:</b>		
Actuarial Gain/(Loss) on Gratuity	(1.27)	(1.11)
Actuarial Gain/(Loss) on Leave Encashment	0.00	0.00
Gain/(Loss) on Revaluation of Investments	0.00	0.00
	<b>(1.27)</b>	<b>(1.11)</b>
<b>(ii) Income tax relating to items that will not be reclassified to Profit or (Loss)</b>		
Deferred Tax	0.00	0.00
<b>Total</b>	<b>(1.27)</b>	<b>(1.11)</b>

	(Rs. in Lakhs)	
	2024-25	2023-24
<b>Note: 28 Earning Per Share</b>		
(a) Net Profit attributable to shareholders from Operations (Rs. in Lakhs)	1166.01	907.36
(b) Weighted average number of Equity Shares outstanding (nos. in Lakhs)	2220.64	2220.64
(c) Basic and Diluted Earnings per share (Rs.) from Operations	0.53	0.41

## Additional Information to Financial Statements for the year ended 31st March, 2025

### Note: 29 Contingent Liabilities:

The Company does not have any claims or contingent Liabilities for the year. (Previous year: NIL)

### Note: 30 Capital Management:

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt. The capital structure of the Company consists of debt and total equity of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, External-commercial borrowings and short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The Company is not subject to any externally imposed capital requirements.

The **Gearing Ratio** at the end of the reporting period was as follows:

Particulars	31 <sup>st</sup> March, 2025	31 <sup>st</sup> March, 2024
Total Debt (Rs.in Lakhs)	0.00	0.00
Total Equity (Rs.in Lakhs)	21682.66	20517.92
Debt to Equity Ratio	0.00%	0.00%

### Note: 31 Financial Instruments:

#### 31.01 Categories of Financial Instruments and Fair Value Measurement:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Ind AS 113 – Fair Value Measurement. An explanation of each level is as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

## Additional Information to Financial Statements for the year ended 31st March, 2025 (Contd.)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31<sup>st</sup> March, 2025:

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2025				As at 31 <sup>st</sup> March, 2024			
	Caring Amount	Level of Input used in			Caring Amount	Level of Input used in		
	/Fair Value	Level 1	Level 2	Level 3	/Fair Value	Level 1	Level 2	Level 3
<b>Financial Assets</b>								
<b>At Amortised Cost</b>								
(i) Investments	9075.76		9075.76		6067.20	500.29	5566.91	
(ii) Trade receivables	0.00				0.00			
(iii) Cash and cash equivalents	100.73				89.97			
(iv) Bank balances other than (iii) above	0.00				0.00			
(v) Loans and Advances	506.07				505.93			
(vi) Others financial assets	191.85				138.24			
<b>At FVTPL</b>								
(i) Investments	4824.49	4824.49			7481.83	7481.83		
(ii) Others financial assets	0.00				0.00			
<b>At FVTOCI</b>								
(i) Investments	0.00				0.00			
(ii) Others financial assets	0.00				0.00			
<b>Financial Liability</b>								
<b>At Amortised Cost</b>								
(i) Borrowings	0.00				0.00			
(ii) Trade Payables	22.16		22.16		33.67			33.67
(iii) Lease Liabilities	169.53		169.53		180.12			180.12
(iv) Other financial liabilities	33.79		33.79		37.11			37.11
<b>At FVTPL</b>								
(i) Other financial liabilities	0.00				0.00			
<b>At FVTOCI</b>								
(i) Borrowings	0.00				0.00			
(ii) Trade Payables	0.00				0.00			
(iii) Other financial liabilities	0.00				0.00			

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables and trade payables at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

## Additional Information to Financial Statements for the year ended 31st March, 2025 (Contd.)

### 31.02 Financial Risk Management Framework:

**Market Risk:** The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:

**Currency Risk:** The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

**Interest Rate Risk:** The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**Other Price Risk:** The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

**Credit Risk:** The risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Outstanding customer receivables are regularly monitored. The Company maintains its cash and cash equivalents and deposits with banks having good reputation and high quality credit ratings.

In addition, the Company is exposed to credit risk in relation to deposits related to lease premises. These deposits are not past due or impaired.

**Liquidity Risk:** The risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

"The Company does not have any sanctioned borrowing facilities as of the reporting date"

### Foreign Currency Risk Management:

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arise. Exposure to currency risk relates primarily to the company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

### Foreign Currency Exposure:

The Company does not have Foreign Currency exposure as on reporting date.

## Additional Information to Financial Statements for the year ended 31st March, 2025 (Contd.)

### Note: 32 Leases:

The Company has elected below practical expedients on transition to Ind AS 116:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Applied the exemption not to recognise right of use assets and lease liabilities with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.
- Elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying Ind AS 17 Leases.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

- The Company has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.
- The weighted average incremental borrowing rate applied to lease liabilities as at 1st January, 2024 is 9.15%.

### (A) Leases as lessee

#### (i) The movement in Lease liabilities during the year

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
Opening Balance	180.12	18.13
Additions during the year	0.00	186.78
Deletion during the year	0.00	22.84
Finance costs incurred during the year	16.04	4.71
Payments of Lease Liabilities	26.63	6.66
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>169.53</b>	<b>180.12</b>

#### (ii) The carrying value of the Rights-of-use Assets and depreciation charged during the year

For details pertaining to the carrying value of right of use of assets as on 31st March, 2025 is Rs. 157.02 Lakhs and previous year is Rs. 177.50 Lakhs and depreciation charged thereon during the year of Rs 20.48 Lakhs. (Previous year Rs.18.46 Lakhs).

Refer note -1 "Property, Plant & Equipments & Intangible Assets".



## Additional Information to Financial Statements for the year ended 31st March, 2025 (Contd.)

### (iii) Maturity analysis of lease liabilities

(Rs. in Lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
<b>Maturity Analysis of contractual discounted cash flows</b>		
Less than one year	11.61	10.59
One to five years	103.65	86.44
More than five years	54.27	83.09
<b>Total discounted Lease Liability</b>	<b>169.53</b>	<b>180.12</b>
<b>Balances of Lease Liabilities</b>		
Non Current Lease Liability	157.92	169.53
Current Lease Liability	11.61	10.59
<b>Total Lease Liability</b>	<b>169.53</b>	<b>180.12</b>

### Note: 33 Ratio Analysis:

Ratios	Numerator	Denominator	31 <sup>st</sup> March, 2025	31 <sup>st</sup> March, 2024	% Variance	Reason for Variance
(a) Current Ratio (Times)	Current Assets	Current Liabilities	92.75	103.62	-10.49%	Decrease in Current Investments
(b) Debt Service Coverage Ratio (Times)	Net profit after taxes + Exception items + Noncash operating expenses (depreciation) + Finance costs + Other adjustments	Total Debt (Non-current borrowings + Current Borrowings + Finance Lease Liability)	23.31	59.87	-61.07%	Decrease in Net Profit
(c) Return on Equity Ratio (%)	Net Profit after taxes	Average Shareholder's Equity	5.53	4.52	22.35%	Increase due to lower tax effect
(d) Net profit Ratio (%)	Net Profit after taxes	Sale of Products	16.99	14.98	13.42%	Increase due to lower tax effect
(e) Return on Capital Employed (%)	Earnings before interest and taxes (Loss before taxes + Finance costs)	Capital employed (Tangible Net worth + Total Debt)	4.33	6.64	-34.79%	Decrease in PBT due to Adverse Equity Market Condition
(f) Return on Investment (%)	Income on Investment	Cost of Investment	10.63	15.47	-31.29%	Decrease due to Adverse Equity Market Condition
(g) Inventory Turnover Ratio (Times)	Cost of Goods Sold	Average Inventory	4.26	2.03	110.14%	Inventory held for Gains

Notes: 1) Trade Receivable Turnover Ratio, Trade Payable Turnover Ratio, Net Capital Turnover Ratio does not apply to the Company in absence of any Trade Receivables and Trade Payables.

2) Lease Liability has not been considered for calculating Debt Equity Ratio.

## Additional Information to Financial Statements for the year ended 31st March, 2025 (Contd.)

### Note: 34 Segment Reporting:

The Company's business segment consists of a single segment of "Commodity Trading" in accordance with Ind AS 108 - 'Operation Segments' notified pursuant to the Companies (Indian Accounting Standard) Rules, 2015. Information with respect to geographical segment, to the extent applicable is as follows:

(Rs. in Lakhs)		
Segment Revenue - Geographic Segment by Location of Customer	2024-25	2023-24
Within India	6863.70	6056.28
Outside India	0.00	0.00
<b>Total</b>	<b>6863.70</b>	<b>6056.28</b>

The Revenue from customers which is more than 10% of companies total revenue:

- 1 Adani Rail Infra Private Limited
- 2 Augmont Enterprises Private Limited
- 3 Capri Global Holdings Private Limited
- 4 Edelweiss Mutual Fund
- 5 Riddisiddhi Bullions Limited
- 6 Whiteoak Capital Mutual Fund

**Note: 35 As per Regulation Ind AS 24, the disclosures of transactions with the related party are given below:**

### 35.01 List of related parties where controls exists and Relationships:

Sr. No.	Name of Related Party	Designation	Nature of Relationship
1	Mr. Alok P. Shah Mr. Suhail P. Shah Mr. Pares V. Chothani Ms. Kruti G. Kothari Mr. Deepak N. Shah Mr. Manish J. Gandhi Mr. Ketan A. Jariwala* Mr. Chandresh S. Punjabi Ms. Mahek Gaurav Jaju	Managing Director Wholetime Director Wholetime Director Non-Executive Director (Independent) Non-Executive Director (Independent) Non-Executive Director (Independent) Non-Executive Director (Independent) Chief Financial Officer Company Secretary & Compliance Officer	Key Managerial Personnel (KMP)
2	Sorrento Textiles Private Limited	-	Enterprises over which Key Managerial Personnel are able to exercise significant influence

**Note:** Related party Relationship is as identified by the Company and relied upon by the Auditors.

\* Ceased to be a Director w.e.f. 10/08/2024 on completion of his term as a Director.

## Additional Information to Financial Statements for the year ended 31st March, 2025 (Contd.)

### 35.02 Transactions During the year with Related Parties:

(Rs. in Lakhs)

Sr. No.	Name and Nature of Transactions of Related Parties	Relationship	2024-25	2023-24
<b>1</b>	<b>Leave &amp; Licence Fees &amp; Reimbursement of Expenses</b>			
	Sorrento Textiles Private Limited	Group Company	83.24	82.76
	Mr. Praful A. Shah		0.60	0.00
<b>2</b>	<b>Payment to Key Managerial Personnel and their Close Members*</b>			
	Mr. Alok P. Shah	KMP	4.80	4.80
	Mr. Suhail P. Shah	KMP	3.00	1.75
	Mr. Paresh V. Chothani	KMP	15.90	14.52
	Mr. Chandresh S. Punjabi	KMP	23.84	21.44
	Ms. Mahek Gaurav Jaju	KMP	5.36	5.54
	Balance as at 31 <sup>st</sup> March, 2025			
	Sorrento Textiles Private Limited	Group Company		
	Trade Creditors		7.62	7.48

\*Payment to Key Managerial Personnel and their Close Members are Short-term benefits.

### 35.03 Post Employment Benefit

(Rs. in Lakhs)

Name and Nature of Transactions of Related Parties	Relationship	2024-25	2023-24
Mr. Alok P. Shah	KMP	0.81	0.81
Mr. Suhail P. Shah	KMP	0.50	0.35
Mr. Paresh V. Chothani	KMP	0.60	0.56
Mr. Chandresh S. Punjabi	KMP	3.09	2.77
Ms. Mahek Gaurav Jaju	KMP	0.20	0.18

\*Payment to Key Managerial Personnel and their Close Members are Short-term benefits.

### 35.04 Director Sitting fees

(Rs. in Lakhs)

Name and Nature of Transactions of Related Parties	Relationship	2024-25	2023-24
Mr. Deepak N. Shah	KMP	2.20	2.05
Mr. Harishchandra B. Bharucha	KMP	0.00	2.05
Mr. Ketan A. Jariwala	KMP	1.20	2.05
Ms. Kruti G. Kothari	KMP	1.60	1.45
Mr. Manish J. Gandhi	KMP	0.80	0.00

## Additional Information to Financial Statements for the year ended 31st March, 2025 (Contd.)

### Note: 36

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31<sup>st</sup> March, 2025.

### Note: 37

Contribution to Political parties during the year 2024-25 is Rs.Nil (Previous Year Rs.Nil).

### Note: 38

The Company has No borrowings from banks or financial institutions on the basis of security of current assets.

### Note: 39 Additional Regulatory Information

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

- i. The Company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties, which are repayable on demand or where the agreement does not specify any terms or period of repayment.
- ii. There are no proceeding initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- iii. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- iv. Ratios - Refer Note 33.
- v. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding, that the Intermediary shall:
  - (a) 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
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi. The 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:
  - (a) 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
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii. The Company has not been declared Wilful Defaulter by any bank or financial institutions or any other lender.
- viii. The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.
- ix. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- x. The company has not revalued its property, plant equipment (including right of use assets) or intangible assets or both during the current or previous year.
- xi. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

## Additional Information to Financial Statements for the year ended 31st March, 2025 (Contd.)

### Additional Information

Additional Information pursuant to Clause 7(l) of General Instructions for preparation of Statement of Profit and Loss as given in Part II of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

- i. The Company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- ii. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

### Note: 40 Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

### Note: 41

The proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requires companies, which uses accounting software for maintaining its books of accounts, to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Further, where the audit trail (edit log) facility was enabled and operated, the audit trail feature has not been tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

### Note: 42

Figures for the previous year have been regrouped/reclassified/restated wherever necessary.

### Note: 43

The financial statements are approved for issue by the Company's Board of Directors on 27<sup>th</sup> May, 2025.

For and on behalf of Board of Directors

**Alok P. Shah**  
Managing Director  
DIN: 00218180

**Paresh V. Chothani**  
Wholetime Director  
DIN: 00218632

**Chandresh S. Punjabi**     **Mahek Gaurav Jaju**  
Chief Financial Officer     Company Secretary  
Surat, 27<sup>th</sup> May, 2025

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SURAT TRADE AND MERCANTILE LIMITED