



SURAT TRADE AND MERCANTILE LIMITED

ANNUAL REPORT
2023-24



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

Harishchandra Bharucha* (DIN: 00138430)

Ketan Jariwala (DIN: 02095540)

Kruti Kothari (DIN: 08502921)

Deepak N. Shah (DIN: 07356807)

* Upto 31st March, 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

Toll Free No. 1-800-309-4001

CHIEF FINANCIAL OFFICER

Chandresh S. Punjabi

COMPANY SECRETARY

Mahek Gaurav Jaju

REGISTERED OFFICE

6th Floor, Tulsi Krupa Arcade,

Near Aai Mata Chowk,

Puna-Kumbharia Road, Dumbhal,

Surat 395010.

CIN: L17119GJ1945PLC000214

Tel: (0261) 2311198.

e-mail: sharedepartment@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")

78th Annual General Meeting on Tuesday, 06th August, 2024 at 3:30 p.m. IST through Video Conferencing ('VC') / Other Audio - Visual Means ('OAVM') facility



NOTICE

NOTICE is hereby given that the **78th Annual General Meeting (“AGM”)** of the members of **SURAT TRADE AND MERCANTILE LIMITED** will be held on **Tuesday, 6th August, 2024, 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, 6th 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, 2024 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, 2024 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 a Director in place of Mr. Paresh V. Chothani (DIN: 00218632), who retires by rotation and being eligible, offers his candidature for re-appointment 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. Paresh V. Chothani (DIN: 00218632), who retires by rotation at this ensuing Annual General Meeting of the Company, and being eligible, seeks reappointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

3. **Appointment of Mr. Manish Gandhi (DIN: 10671306) as an Independent Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (‘the Act’) and

the Rules framed thereunder, read with Schedule IV of the Act and pursuant to Regulation 16 and 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Manish Gandhi (DIN: 10671306), who was appointed as an Additional Director designated as an Independent Director of the Company by the Board of Directors with effect from 27th June 2024 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Act, who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years, commencing from 27th June 2024 and up to 26th June 2029, not liable to retire by rotation.”

RESOLVED FURTHER THAT any of the Directors or the Company Secretary, be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution.”

4. **Re-appointment of Ms. Kruti Kothari (DIN: 08502921) as an Independent Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with Schedule IV to the Act and Rules made thereunder and regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof, for the time being in force) and recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms. Kruti Kothari (DIN: 08502921), who has submitted a declaration that she meets the criteria for independence and who is eligible for re-



appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, and to hold office for a second term of 5 (five) years commencing from 9th July, 2024 and up to 8th July, 2029 (both days inclusive), not liable to retire by rotation.

RESOLVED FURTHER THAT any of the Directors or the Company Secretary, be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution.”

5. **Re-appointment of Mr. Paresh V. Chothani (DIN 00218632) as a Wholetime Director of the Company for a period of 5 (five) years**

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

“**RESOLVED THAT** in accordance with the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Section 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with Schedule V of the Act and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Company and subject to such other approvals as may be necessary under the applicable provisions of the Act, consent of the Members be and is hereby accorded for re-appointment of Mr. Paresh V. Chothani as a Wholetime Director of the Company for a period of 5 (five) years with effect from 26th November, 2024, as per the terms and conditions and payment of remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting, liable to retire by rotation.

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 the remuneration, including the salary, commission, perquisites and

other allowances, within such prescribed limit or ceiling without any further reference or approval of the members of the Company.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, during the term of office of Mr. Paresh V. Chothani, the remuneration payable to him by way of salary, allowances, commission and perquisites and other benefits shall be the minimum remuneration payable in accordance with Schedule V of the Companies Act, 2013, by making requisite compliances prescribed in the said schedule.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination & Remuneration Committee subject to overall limits approved herein.

RESOLVED FURTHER THAT any of the Directors or the Company Secretary, be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution.”

Registered Office:
Tulsi Krupa Arcade,
6th Floor, Puna-
Kumbharia Road,
Dumbhal, Surat 395010.
Place: Surat
Date: 27th June, 2024

By Order of the Board of Directors

Mahek Gaurav Jaju
Company Secretary and
Compliance Officer

Notes:

1. The Ministry of Corporate Affairs (“MCA”) has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by “COVID-19”, General Circular Nos. 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 in relation to “Clarification on holding of Annual General Meeting (“AGM”) through Video Conferencing (VC) or Other Audio Visual



- Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3 to 5 of the Notice, is annexed hereto. Further, the relevant details with respect to Item Nos. 3 to 5 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed.
 3. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM along with the Annual Report for FY 2023-24 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories"

Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website www.stml.in, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com, and on the website of KFin Technologies Limited <https://evoting.kfintech.com>.

 4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
 5. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.
 - a. For shares held in electronic form: to their Depository Participants ("DPs")
 - b. For shares held in physical form: to the Company/ RTA in prescribed Form ISR-1 and other forms pursuant to SEBI Master Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023. To mitigate unintended challenges on account of freezing of folios, SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/ CIR/2023/181 dated November 17, 2023, has done away with the provision regarding freezing of folios not having PAN, KYC, and Nomination details.
 6. Members may please note that 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 dematerialized 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. 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> and on the website of the Company's RTA, KFin Technologies Limited: <https://evoting.kfintech.com>. It may be noted that any service request can be processed only after the folio is KYC Compliant.
 7. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be affected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form.



- Members can contact the Company or Company's RTA, for assistance in this regard.
8. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or 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 dematerialized form.
 9. 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 <https://www.stml.in>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.
 10. 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.
 11. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>).
 12. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM are requested to write to the Company on or before July 31, 2024, through e-mail on sharedepartment@stml.in. The same will be replied by the Company suitably.
 13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 14. The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection 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 email to sharedepartment@stml.in
 15. **Book Closure:** The Register of Members and Transfer Books of the Company will remain closed from Friday, 2nd August, 2024 to Tuesday, 06th August, 2024 (both days inclusive) for the purpose of AGM.
 16. 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 sharedepartment@stml.in.
- Process for dispatch of Annual Report and Registration of email ID for obtaining a copy of the same:**
17. In compliance with the Circulars, Notice of the AGM along with the Annual Report for the financial year 2023-24 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depository Participants ("DPs").
- In case any member is desirous of obtaining physical copy of the Annual report for the Financial Year 2023-24 and Notice of the 78th AGM of the Company, he/she may send a request to the Company by writing at sharedepartment@stml.in or KFin Technologies Limited ("KFin"), Company's Registrar and Share Transfer Agent ("RTA") mentioning their DP ID and Client ID/ folio no.
- Members may note that the Notice of the 78th AGM and the Annual Report 2023-24 will also be available on the Company's website, <https://www.stml.in>, website of the stock exchange, i.e. BSE at www.bseindia.com and on the website of KFin Technologies Limited, <https://evoting.kfintech.com>.



18. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, KFin Technologies Limited at einward.ris@kfintech.com, to receive copies of the Annual Report 2023-24 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the report:

Type of holder	Process to be followed	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, KFin Technologies Limited either by email to einward.ris@kfintech.com or by post to Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032.	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form SH-13
	Declaration to opt out	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH-14
	Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	ISR 4
	The forms for updating the above details are available at https://www.infosys.com/investors/shareholder-services/investors-service.html	
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.	

19. Procedure for remote e-voting and e-voting during the AGM

- All the Shareholders of the Company are encouraged to attend and vote in the AGM to be held through VC/OAVM.
- Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with KFin Technologies Limited for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by KFinTech.
- The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
- A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member cast votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.



- e. Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but they shall not be entitled to cast their votes again. Further, members who have voted on some of the resolutions during the remote e-voting period are also eligible to vote on the remaining resolutions during the AGM.
- f. Members holding shares either in physical or dematerialized form, as on cut-off date, i.e., as on 31st July, 2024, may cast their votes electronically. The e-voting period commences on Saturday, 3rd August, 2024 (9:00 a.m. IST) and ends on Monday, 5th August, 2024 (5:00 p.m. IST). The e-voting module will be disabled thereafter. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e., as on 31st July, 2024. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.

20. 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.
- vi. Those Members who register themselves as speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.
- vii. 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., sharedepartment@stml.in at least 2 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.

Alternatively, shareholders holding shares as on cut-off date may also visit <https://evoting.kfintech.com/> and click on the tab "Post Your Queries Here" to post their queries/views/questions in the window provided, by mentioning their name, demat account number/ folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the e-AGM.

- viii. **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 **Friday, 2nd August, 2024 (9:00 a.m. IST) to Sunday, 4th August, 2024 (5:00 p.m. IST)**. Members shall be provided a 'queue number' before the meeting.
- ix. Facility of joining the AGM through VC/ OAVM shall be available for 2,000 members on first come first served basis.



- However, the participation of members holding 2% or more shares, promoters, Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
- x. Members who need technical assistance before or during the AGM, can contact Kfintech at <https://evoting.kfintech.com/>
 - xi. Corporate members intending to send their authorised representatives to attend the Annual General Meeting through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) pursuant to the provisions of Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution to the Company.
- iv. The remote e-Voting period commences from 9.00 Hours (IST) on 3rd August, 2024 to 17.00 Hours (IST) on 5th August, 2024.
 - v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on 31st July, 2024, the cut-off date.
 - vi. Any person holding shares in physical form and nonindividual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with Kfintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
 - vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”

INSTRUCTIONS FOR E-VOTING:**PROCEDURE FOR REMOTE E-VOTING**

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013 (“the Act”), read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by Kfintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
 - ii. However, in pursuant to SEBI circular no. SEBI/HO/ CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
 - iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- viii. **The details of the process and manner for remote e-voting and voting during AGM are explained herein below:**
 - Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.
 - Step 2: Access to Kfintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.
 - Step 3: Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.
- Procedure for Login for E-voting and Attending AGM through VC/OAVM for Individual Shareholders holding securities in Demat mode.**
- In terms of SEBI circular dated December 09, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts to access e-Voting facility.



Details on Step 1 are mentioned below:

I) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with National Securities Depository Limited (“NSDL”)</p>	<ol style="list-style-type: none"> 1. User already registered for IDeAS facility: <ol style="list-style-type: none"> I. Open https://eservices.nsdl.com II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” IV. Click on Company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services <ol style="list-style-type: none"> I. To register, open https://eservices.nsdl.com either on a Personal Computer or on a mobile. II. Select “Register Online for IDeAS “Portal or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. III. Proceed with completing the required fields. IV. Follow steps given in points 1 3. Alternatively by directly accessing the e-Voting website of NSDL <ol style="list-style-type: none"> I. Open https://www.evoting.nsdl.com/ II. Click on the icon “Login” which is available under ‘Shareholder/ Member’ section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e. Kfintech. V. On successful selection, you will be redirected to Kfintech e-Voting page for casting your vote during the remote e-Voting period.



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with Central Depository Services (India) Limited ("CDSL")	<ol style="list-style-type: none"> 1. Existing user who have opted for Easi / Easiest <ol style="list-style-type: none"> I. Click at https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. 2. User not registered for Easi/Easiest <ol style="list-style-type: none"> I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow steps given in points 1 3. Alternatively by directly accessing the e-Voting website of CDSL: <ol style="list-style-type: none"> I. Visit at www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e-Voting is in progress.
Individual Shareholder (holding securities in Demat mode) login through their demat accounts / Website of Depository Participant	<ol style="list-style-type: none"> I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against Company name or e-Voting service provider KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022- 4866 7000 and 022 – 2499 7000
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33



Details on Step 2 are mentioned below:

(II) Login method for remote e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

- (A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFinTech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
 - ii. Enter the login credentials (User ID and password provided in the e-mail). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, click on “LOGIN”.
 - iv. 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.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Surat Trade and Mercantile Limited 78th-AGM and click on “Submit”.
 - vii. 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.
 - viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
 - ix. 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.
 - x. You may then cast your vote by selecting an appropriate option and click on “SUBMIT”.
 - xi. A confirmation box will be displayed. Click “OK” to confirm, else “CANCEL” to modify.

Once you have voted on the resolution (s), you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the Resolution(s).
 - xii. 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. authorizing its representative to attend the AGM through VC/OAVM on its behalf and to cast its vote through remote e-voting, together with attested specimen signatures of the duly authorised representative(s), to the Company at E-mail id: sharedepartment@stml.in with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format ‘Surat Trade and Mercantile Limited.’



- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

Procedure for Registration of email and Mobile: securities in physical mode

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2023/37, dated March 16th, 2023, All holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>.

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

- a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- b) Through hard copies which are self-attested, which can be shared on the address below; or

Name KFIN Technologies Limited

Unit Surat Trade and Mercantile Limited

Address Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032

- c) Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and Mobile details for securities held in electronic

mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/ OAVM and e-Voting during the meeting.

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFinTech. After logging in, click on the Video Conference tab and select the EVENT of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the 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 above.
- ii. Facility for joining AGM through VC/ OAVM shall open atleast 30 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members 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 WiFi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number and email id.



- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

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.

OTHER INSTRUCTIONS:

- I. **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 **Friday, 2nd August, 2024 (9:00 a.m. IST) to Sunday, 4th August, 2024 (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.

- II. **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 **Friday, 2nd August, 2024 (9:00 a.m. IST) to Sunday, 4th August, 2024 (5:00 p.m. IST)**.
- III. 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 or call Kfintech’s toll free No. 1-800-309- 4001 for any further clarifications.
- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 31st July 2024, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

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 a password.

- i. Members who may require any technical assistance or support before or during the AGM are requested to contact Kfintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.



- VI. The Board of Directors has appointed Mr. Jigar Vyas of Jigar Vyas & Associates, Practicing Company Secretaries (FCS No. 8019 and COP No.14468) as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner.
- VII. 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.
- VIII. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or to a person authorized by the Chairman in writing who shall countersign the same.

The voting results shall be declared within two working days from conclusion of the AGM and the Resolutions shall be deemed to be passed on the date of the AGM i.e. Tuesday, 6th August 2024, subject to receipt of requisite number of votes. The declared results along with the report of the Scrutinizer shall be placed on the website of the Company i.e., <https://www.stml.in> after the declaration of result by the Chairman or a person authorized by him. The results along with the report of the Scrutinizer shall also be immediately forwarded it to BSE Limited.

IX. Important Dates

The Shareholders are requested to take note of the below mentioned important dates with respect to 78th Annual General Meeting of the Company:

<u>Particulars</u>	<u>Date and Time</u>
A. Cut-off Date for Eligible Shareholders for e-Voting	Wednesday, 31 st July, 2024
B. Speaker Registration starts on	Friday, 2 nd August, 2024 at 9.00 A.M.
ends on	Sunday, 4 th August, 2024 at 5.00 P.M.
C. E-Voting starts on	Saturday, 3 rd August, 2024 at 9.00 A.M.
ends on	Monday, 5 th August, 2024 at 5.00 P.M.
D. Date of 78 th Annual General Meeting	Tuesday, 6 th August, 2024 at 3:30 P.M.

By Order of the Board of Directors

Place: Surat
Date: 27th June, 2024

Mahek Gaurav Jaju
Company Secretary and
Compliance Officer



Explanatory Statement

As required by Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 3 to 5 of the accompanying Notice:

Item No. 3:

Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, the Board of Directors (the Board) has appointed Mr. Manish Gandhi (DIN: 10671306) as an Additional Director Designated as an Independent Director of the Company with effect from 27th June, 2024, who holds office upto the date of the ensuing Annual General Meeting.

Mr. Manish Gandhi, aged about 56 years, is a senior advocate having vast experience of about 30 years in practicing on legal Services in respect of Civil Litigations, Property matters and other allied matters in various courts. Mr. Manish Gandhi is a member of Bar Council of Gujarat.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Manish Gandhi for the office of Director of the Company.

The Company has received a declaration from Mr. Manish Gandhi stating that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act including under Rule 6(3) of Companies (Appointment and Qualifications of Directors) Rules, 2014 for inclusion of his name in Independent Director’s Database and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The Nomination and Remuneration Committee has recommended the appointment of Mr. Manish Gandhi as an Independent Director for a period of 5(five) consecutive years upto 26th June 2029 and he shall not be liable to retire by rotation.

Mr. Manish Gandhi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Mr. Manish Gandhi is independent of the management and possesses appropriate skills, experience and knowledge, inter alia, in the field of leadership and governance and business management. In the opinion of the Board, he fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations.

Keeping in view his expertise and vast knowledge, it will be in the interest of the Company to appoint Mr. Manish Gandhi as Non-executive Independent Director, not liable to retire by rotation.

Mr. Manish Gandhi shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

A copy of the draft letter for appointment of Mr. Manish Gandhi as Non-executive Independent Director setting out the terms and conditions is available for inspection by the members without any fee at the Registered Office of the Company during normal business hours (9:00 a.m. to 5:00 p.m.) on any working day, excluding Saturday and Sunday up to the date of this meeting.

Brief profile of Mr. Manish Gandhi and information in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings in respect of his appointment is mentioned in the annexure which forms part of this notice.

Mr. Manish Gandhi is interested in the resolution set out at Item No.3 of the Notice, which pertains to his appointment. The relatives of Mr. Manish Gandhi may be deemed to be interested in the resolution set out at Item No 3 of the Notice, 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 this resolution.

The Board recommends resolution set out in Resolution No. 3 of the Notice for the approval of members as an **Ordinary Resolution.**

Item No. 4:

Ms. Kruti Kothari (DIN: 08502921) was initially appointed as a Non-Executive Independent Director on the Board of the Company on 9th July 2019. Later, at the 73rd Annual General Meeting of the Company (AGM) held on 3rd September 2019, Ms. Kruti Kothari was appointed as a Non-Executive Independent Director of the Company for a term commencing from 9th July, 2019 and ending on 8th July 2024.

Ms. Kruti Kothari holds membership of The Institute of Chartered Accountants of India (ICAI). She has work experience in service industry and consulting field.



She also holds Diploma in IFRS from ACCA, UK and also has post qualification experience of about 6 years in Auditing, Taxation, Accounting and Management Consulting.

The Nomination and Remuneration Committee of the Company ("NRC"), inter-alia, on the basis of performance evaluation of Ms. Kruti Kothari and taking into account the knowledge, requisite experience, expertise and contribution made by her during her tenure had, at its Meeting held on 27th June 2024, unanimously decided to recommend to the Board of Directors, her appointment for a second term of 5 years commencing from 9th July 2024 and ending on 8th July 2029 (both days inclusive).

The Board of Directors of the Company at its Meeting held on 27th June 2024, evaluated her performance and after taking cognizance of the feedback received from the Nomination and Remuneration Committee as above, have unanimously decided to continue with the appointment of Ms. Kruti Kothari as a Non-Executive Independent Director for the second consecutive term as above, subject to the approval of the Members of the Company by means of a Special Resolution at the ensuing Annual General Meeting.

In the opinion of the Board Ms. Kruti Kothari is a person of integrity and fulfils the conditions specified in the Act and the rules framed thereunder for appointment as a Non-Executive Independent Director and that she is Independent of the Management.

Based on the skills, competence and expertise in Accounting, Taxation, General Management, Regulatory and Compliance Matters including contribution in the Board and Committee Meetings, the Board has determined that the re-appointment of Ms. Kruti Kothari would be beneficial to the Company and concluded that it is desirable to continue to avail her services as a Non-Executive Independent Director on the Board of the Company, not liable to retire by rotation.

The Company has received declarations from Ms. Kruti Kothari, stating that she meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1) (b) of SEBI Listing Regulations and further that she is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. She has also confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment

and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. She has given her consent to act as a Director of the Company

Ms. Kruti Kothari shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

A copy of the draft letter for appointment of Ms. Kruti Kothari as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 a.m. to 5:00 p.m.) on any working day, excluding Saturday and Sunday up to the date of this meeting.

Brief profile of Ms. Kruti Kothari and information in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings in respect of her appointment is mentioned in the annexure which forms part of this notice.

Ms. Kruti Kothari is interested in the Resolution set out at item No.4 of the Notice with regard to her appointment. Relatives of Ms. Kruti Kothari may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.4 of the Notice for approval of the Members.

The Board recommends resolution set out in Resolution No. 4 of the Notice for the approval of members as a **Special Resolution**.

Item No. 5

Mr. Pares V. Chothani (DIN: 00218632) was initially appointed as the Wholetime Director of the Company, for a period of 3 (three) years, w.e.f. 26th November 2021 upon the terms and conditions as specified in the explanatory statement annexed to the Notice of the said meeting. The present term of Mr. Pares Chothani ends on 25th November, 2024.

Mr. Pares Chothani aged 64 years, has graduated in Textile engineering (B.Text.) from VJTI Mumbai.



He has working experience of more than 3 decades in the field of Manmade textile industry, more particularly in fabrics marketing. He also excels in the field of business management and administration skills.

During his tenure of 3 years as Wholetime Director Mr. Paresh V. Chothani shared his Rich experience in various areas of business, technology, operations and governance matters which helped the Company to successfully implemented new business vertical from November, 2022 which contributed to revenue from operations of the Company for F.Y. 2023-24.

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 27th June, 2024 has, subject to the approval of members, approved the proposal for reappointment and payment of remuneration of Mr. Paresh V. Chothani as Wholetime Director of the Company for a further period of 5 (five) years with effect from 26th November, 2024, as recommended by the Nomination and Remuneration Committee of the Board in terms of Section 197, 198, Schedule V and any other applicable provisions of the Companies Act, 2013.

The remuneration and other terms and conditions of appointment of Mr. Paresh V. Chothani as the Wholetime Director of the Company as set out in the resolution and explanatory statement are subject to your approval.

So long as Mr. Paresh V. Chothani functions as the Wholetime Director, he shall not be paid any fees for attending the meetings of the Board or any Committee(s) thereof of the Company.

Mr. Paresh V. Chothani satisfies all the 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 being eligible for his appointment.

It is therefore proposed to seek the members' approval for the aforesaid appointment and remuneration payable to Mr. Paresh V. Chothani. The salient features of the terms and conditions of and remuneration payable to Mr. Paresh V. Chothani as set out in the draft agreement are as follows:

- i) **Salary:** Upto Rs.2,00,000/- per month.
- ii) **Perquisites and Allowances:**
 - (a) in addition to the salary as above, Mr. Paresh V. Chothani 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 100% of the salary mentioned at i) above.

- (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. Paresh V. Chothani shall be entitled to receive remuneration based on net profits. Such remuneration based on net profits payable to him as also to the other Wholetime Directors of the Company 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

Reimbursement of expenses incurred for travelling, boarding and lodging including for their 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 telephone 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 Executive Director, Mr. Paresh V. Chothani 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) Other Terms and Conditions

- (a) The Wholetime Director will 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 and the functions of the Wholetime Director will be under the overall authority of the Managing Director.
- (b) The Wholetime 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 Wholetime Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

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

A copy of the draft agreement between the Company and Mr. Paresh V. Chothani setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 a.m. to 5:00 p.m.) on any working day, excluding Saturday and Sunday up to the date of this meeting.

Brief profile of Mr. Paresh V. Chothani and information in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings in respect of his appointment is mentioned in the annexure which forms part of this notice.

Mr. Paresh V. Chothani is interested in the resolution set out in Resolution No. 5 of the Notice, which pertains to the remuneration payable to him. The relatives of Mr. Paresh V. Chothani may be deemed to be interested in the resolution set out in Resolution No. 5 of the Notice, 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 and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.5 of the Notice for approval of the Members.

The Board recommends resolution set out in Resolution No. 5 of the Notice for the approval of members as an **Ordinary Resolution**.

By Order of the Board of Directors

Place: Surat
Date: 27th June, 2024

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.

Name of the Director	Mr. Paresh V. Chothani	Mr. Manish Gandhi	Ms. Kruti Kothari
Director Identification Number (DIN)	00218632	10671306	08502921
Date of birth and age	05/09/1959 (64 years)	25/11/1967 (56 years)	23/06/1992 (32 years)
Nationality	Indian	Indian	Indian
Date of appointment on Board	Appointed as Member of the Board on 26/11/2021 Appointed as Wholetime director on 26/11/2021	Appointed as Member of the Board on 27/06/2024	Appointed as Member of the Board on 09/07/2019 and Re-appointment as independent director for second term w.e.f. 09/07/2024
Qualification	Graduated in Textile Engineering (B.Text.) from VJTI Mumbai.	Graduated in Law from VNSGU, Surat.	An Associate Member of the Institute of Chartered Accountants of India (ICAI) and graduate in commerce.
Expertise in specific Functional areas	Rich experience in various areas of business, technology, operations and governance matters.	He is having more than 30 years of experience in practicing on legal Services in respect of Civil Litigations, Property matters and other allied matters in various courts.	She is having more than 10 years of experience in direct tax, audit and management consultancy related work and expertise in IFRS assignment.
Terms and Conditions of appointment/ re-appointment and proposed remuneration to be paid	Re-appointment in terms of Section 152(6) of the Companies Act, 2013 as a director retiring by rotation. Re-appointment as Wholetime Director of the Company for a further period of 5 (five) years with effect from 26/11/2024 on the terms and conditions as specified in the resolution set out at Item no. 5 of the Notice read with explanatory statement thereof.	Appointment in terms of Section 152 (6) of the Companies Act, 2013	Re-appointment in terms of Section 152 (6) of the Companies Act, 2013
Remuneration last drawn (Rs. In Lakhs)	Rs. 14.51	Not applicable	Not applicable
Shareholding in the Company including shareholding as a beneficial owner	Nil	Nil	Nil



SURAT TRADE AND MERCANTILE LIMITED

(Formerly Surat Textile Mills Limited)

Name of the Director	Mr. Paresh V. Chothani	Mr. Manish Gandhi	Ms. Kruti Kothari
Number of Board Meetings attended during the financial year 2023-24	5 (Five)	Not Applicable	4 (Four)
Directorship in other Public Limited Companies	Nil	Nil	Nil
Memberships / Chairmanship of committees in other public limited Companies	Nil	Nil	Nil
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Not related to any Director and Key Managerial Personnel of the Company.	Not related to any Director and Key Managerial Personnel of the Company.	Not related to any Director and Key Managerial Personnel of the Company.

Note: Pursuant to Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, only two committees, viz. Audit Committee and Stakeholders' Relationship Committee have been considered.



INFORMATION AT A GLANCE:

Sr. No.	Particulars	Details of access
1	Day, date and time of AGM	Tuesday, 6 th August, 2024 at 3.30 p.m. IST
2	Mode	Through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”)
3	Cut-off date for e-voting	Wednesday, 31 st July, 2024
4	Time period for remote e-voting	Commences on Saturday, 3 rd August, 2024 (9.00 a.m. IST) and ends on Monday, 5 th August, 2024 (5.00 p.m. IST)
5	Helpline number for VC participation and e-voting	Contact KFin Technologies Limited at 1800 309 4001 or write to them at emeetings@kfintech.com Contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no: 1800 1020 990 and 1800 22 44 30 Contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43
6	Link for remote e-voting	https://evoting.kfintech.com
7	Link for posting AGM queries and speaker registration and period of registration	https://emeetings.kfintech.com by using e-voting credentials and click on “post your queries” / “Speaker registration” as the case may be. Period of registration: Friday, 2nd August, 2024 (9:00 a.m. IST) to Sunday, 4th August, 2024 (5:00 p.m. IST).
8	Link for participation through VC / OAVM	https://emeetings.kfintech.com by using e-voting credentials and click on video conference
9	Username and password for VC	Members may attend the AGM through VC by accessing the link https://emeetings.kfintech.com by using the remote e-voting credentials. Please refer the instructions provided in this Notice for further information.
10	Book closure dates	Friday, 2 nd August, 2024 to Tuesday, 6 th August, 2024 (both days inclusive)
11	Registrar and Transfer Agent contact details	KFin Technologies Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 Tel: 1800 309 4001 Website: www.kfintech.com
12	Surat Trade and Mercantile Limited – contact details	Registered Office: Tulsi Krupa Arcade, 6 th Floor, Puna Kumbharia Road, Dumbhal, Surat 395010 Tel.: 0261 – 2311198 Email: sharedepartment@stml.in



DIRECTORS' REPORT & MANAGEMENT'S DISCUSSION AND ANALYSIS

Dear Shareholders,

Your directors are pleased to present the 78th Annual Report along with the Audited Financial Statements of your Company for the Financial Year ended 31st March, 2024. 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.

Summarised Financial Highlights

The financial performance of business operations of the Company for the financial year ended 31st March, 2024 is summarised as below:

(Rs. in Lakhs)

Particulars	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Revenue from Operations	6056.37	2497.68
Other income	1945.99	965.19
Total Income	8002.36	3462.87
Operating Profit/(Loss) / EBITDA (including other income)	1384.71	418.98
Add/Less: Finance Costs	5.00	3.46
Profit/(Loss) before Depreciation & Amortisation Expenses	1379.71	415.52
Add/Less: Depreciation & Amortisation Expenses	32.44	41.34
Profit/(Loss) before tax	1347.27	374.18

Review of Operations

FY 2023-24 was the first full financial year of operations of your Company with new business activities of trading in commodities and other commodity related activities, which commenced from third quarter of FY 2022-23.

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.

Earlier in April 2022, the Company disposed of all the assets together with land, buildings and plant and machineries in relation to its manufacturing unit located at Village Jolwa, Taluka Palsana, District Surat. The funds realized on sale of these assets were also deployed prudently in a phased manner in diversified financial instruments for the remaining period ended on 31st March, 2023.

During FY 24, your Company achieved Income from Operations of Rs. 60.56 Crore from the Commodity trading business as compared to Rs. 24.98 Crore in FY 23. Your Company earned higher Other Income of Rs. 19.46 Crore during FY 24 as compared to Rs. 9.65 crore in FY 23 which represents earnings from investments in Mutual Funds and other financial instruments.

Increase in Other Income was primarily on account of additional funds deployed as well as increased returns in the financial market during FY 24. Every category of debt and equity have done well.

Commodities demonstrated robust performance for the third consecutive year, The CRB Index delivered positive returns, overcoming a turbulent period.

War-like situations in many countries put the world on edge. Despite that, with improved consumer spending and the announcement of interest rate cuts in 2024, the financial world delivered some exceptional returns, including commodities.

We propose to deploy additional funds in the commodities business in a calibrated manner in FY25, after proper evaluation of related external risk factors, if any, and the overall business scenario.

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 March, 2024.



Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profits for FY24 in Profit and Loss Account.

Change of name of the Company

As the members are aware, consequent to sale/transfer of the assets its manufacturing division at village Jolwa, Talika Palsana, Dist. Surat April, 2022, your Company commenced the new activities of trading in commodities and other commodity related business from third quarter of FY23. Accordingly, it was considered appropriate to align its name as per the newly added business commenced by the Company.

The Board of Directors of the Company at its meeting held on 11th August, 2023 approved the proposal for change of name of the Company from “Surat Textile Mills Limited” to “Surat Trade and Mercantile Limited” along with the consequential amendments required to be made in the Memorandum of Association and Articles of Association, subject to the approval of ROC, CRC, MCA and the Members of the Company.

Further in accordance with the provisions of Section 13 and 14 of the Companies Act, 2013 (“the Act”) and pursuant to Regulation 45 of SEBI (Listing Obligations and Disclosure) Requirements, 2015 (“Listing Regulation”), to the extent applicable, the Company obtained shareholder’s approval by way of a Special Resolution through Postal Ballot Process vide Notice dated 14th August, 2023, to effect the change in the Company’s name and make necessary consequential alterations to the Memorandum and Articles of Association.

A fresh Certificate of Incorporation pursuant to change of name was issued by the Office of the Registrar of Companies, Ahmedabad, Gujarat on 18th September, 2023.

Industry Structure and Development

Indian Economy

The Indian economy has witnessed an average of more than 8% annual growth since the covid-induced output contraction in FY21. The growth propelled the Indian economy to \$3.5 trillion and set the stage for achieving the \$5-trillion government target in the next few years.

India’s gross domestic product (GDP) growth for Fiscal 2024 has been upgraded to 8.2%, driven by strong growth in investments, services and manufacturing. This was despite agriculture growth of only 1.4%.

The Government’s strengthened thrust on capex will augur well for the economy in the mid to long term with the creation of employment opportunities, improved infrastructure and elevated ease of doing business in the country. RBI has recently upgraded estimated growth at 7.2% in FY 25 owing to expected recovery in agriculture and private consumption in addition to the government’s capex initiatives.

With continuity of the government post-elections, reforms momentum is expected to continue which should spur growth and ensure macro-economic stability, presenting an “optimistic economic outlook” for the coming year. Company results have been strong supporting growth and tax revenues. S&P has upgraded India’s outlook to positive from stable.

As per International Monetary Fund (IMF) estimates India will be the third largest economy before 2030 with its GDP projected to surpass both Japan and Germany. Both private consumption and investment are projected to rise steadily, contributing to GDP expansion.

Inflation in India has remained within the Reserve Bank’s target range of 2-6 per cent since September 2023, contributing to a stable economic environment, the report added.

While weather remains a risk, there is a forecast of above normal rains in the current year which may lead to better agriculture production.

Opportunities, Challenges, Threats, Risks and Concerns

In 2023, agricultural markets grappled with notable volatility, especially in spices, rice, cotton etc. El Niño and other extreme weather events heightened concerns about the supply of several agricultural commodities. However, food inflation came down with improved availability.

Several Indian commodities are fluctuating in price. Gold prices rose 1.5% this month to a 6- month high, while crude oil prices fell 5% to a 4-month low owing to sluggish global demand. Silver has been out primary commodity segment last fiscal. Silver prices have been very volatile. These changes are caused by supply and demand, production costs, economic development, geopolitical events, natural catastrophes, speculative trading, and government policies. But its volatility has also presented opportunities for higher returns.

The variables cited above impact commodity prices and the global economy, influencing consumer products, stock markets, and other industries. These swings have major effects on India’s economy.



Trade disruptions may hurt commodity-dependent economies. Even as prices fall, commodities market volatility is expected to provide economic concerns. Commodity pricing, global trade dynamics, and changing rules and standards may impact actual economic activity, inflation, and economic development in India.

With a 7% -plus growth rate for the third consecutive year in FY 24, India sits on the cusp of advancement while facing several challenges. Geopolitical tensions, climate change and economic growth are factors that will support longer term value for commodities.

Your company mitigates price risk by hedging its entire commodity exposure. However, a threat is that opportunities with good returns might get limited.

Business Outlook

As FY 25 begins, the focus shifts to the outlook. Positive underlying fundamentals in India, persistent geopolitical uncertainties, and anticipated easing by the Federal Reserve and the RBI indicate that the bullion complex is poised to experience an upward trend in the coming year.

Expectation of increase in investment demand and ongoing Central Bank purchases are expected to fuel bullish momentum for gold further, potentially pushing it to new record highs alongside silver.

Commodity prices are projected to experience a slight downturn in 2024 and 2025 but are expected to remain above pre-pandemic levels.

After three years of extreme volatility, commodities prices are set to broadly stabilise in 2024. However, adverse weather conditions, escalating geopolitical tensions and soaring shipping costs are among the risks to watch to commodity price forecasts.

In a statement by RBI Governor stated that during 2024-25 so far, domestic economic activity has maintained resilience while manufacturing activity continues to gain ground on the back of strengthening domestic demand. Private consumption, the mainstay of aggregate demand, is recovering with steady discretionary spending in urban areas.

The healthy balance sheets of banks and corporates, the government's continued thrust on capex, high-capacity utilisation, and business optimism augur well for investment activity.

Share Capital

As on March 31, 2024, the paid-up share capital of the Company stood at Rs. 2220.64 Lakhs consisting of 222064440 equity shares of Rs.1 each fully paid up.

Out of the above, the Promoters held 152004917 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 31st March, 2024. 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>.

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 2023-24. 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

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Companies Act 2013 and Regulation 17 of the SEBI Listing Regulations, with an appropriate combination of Executive Director, Non-Executive Directors and Independent Directors. The complete list of Directors of the Company has been provided as part of the Corporate Governance Report.

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. Paresh V. Chothani (DIN: 00218632) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Based on performance evaluation and the recommendations of the Nomination and Remuneration Committee, the Board recommends the re-appointment of Mr. Paresh V. Chothani for your approval.



Based on the recommendation of the Nomination and Remuneration Committee (“NRC”) and Board of Directors, members by way of Postal Ballot through Special Resolution approved the Appointment of Mr. Suhail P. Shah as the Wholetime Director designated as Executive Director of the Company for a period of 3 (Three) years with effect from 1st September 2023 and remuneration thereof.

Based on recommendation of NRC and in accordance with provisions of the Act and Listing Regulations, Mr. Manish Gandhi (DIN: 10671306) was appointed as an Additional Director (Independent) of the Company by the Board of Directors on 27th June 2024, for a term of 5 years commencing from 27th June, 2024 upto 26th June, 2029, subject to the approval of Members.

Based on recommendation of NRC and in accordance with provisions of the Act and Listing Regulations, the Board of Directors on 27th June 2024, approved the re-appointment of Ms. Kruti Kothari (DIN: 08502921) as an Independent Director of the Company for a second term of 5 (Five) consecutive years commencing from 9th July, 2024 upto 8th July, 2029, subject to the approval of Members.

Based on the recommendation of the Nomination & Remuneration Committee (‘NRC’), the Board of Directors on 27th June 2024, approved the re-appointment of Mr. Paresh V. Chothani (DIN: 00218632) as the Wholetime Director of the Company, for a further period of 5 (five) years with effect from 26th November, 2024 and remuneration thereof.

Necessary Resolutions for the re-appointment/appointment of the aforesaid Directors have been included in the notice convening the ensuing AGM and requisite details have been provided in the explanatory statement of the Notice. 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 78th AGM.

Cessation of Directors

During the year under review, Mr. Harishchandra B. Bharucha has retired from the office of directorship of the Company on expiry of his second term of 5 (five) years on 31st March, 2024 and therefore ceased to be a Director of the Company with effect from close of business hours on 31st March, 2024.

The Company places on record its sincere appreciation of the contribution during his tenure on the Board of the Company.

Key Managerial Personnel (KMP)

As on 31st March, 2024 the following persons were the Key Managerial Personnel (“KMP”) of the Company pursuant to Section 2(51) and Section 203 of the Companies Act, 2013 read with the Rules framed thereunder:

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

Independent Directors

The Board is of the opinion that the Independent Directors appointed/re-appointed during the year under review are person(s) of integrity and possess core skills/expertise/competencies (including the proficiency) as identified by the Board of Directors as required in the context of Company’s business(es) and sector(s) for the Company to function effectively.

In terms of the provisions of Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of the Regulations, all the Independent Directors of the Company have furnished a declaration to the Compliance Officer of the Company at the meeting of the Board of Directors held on 24th May, 2024 stating that they fulfil the criteria of Independent Director as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the Regulations, and are not being disqualified to act as an Independent Director. Further, they have declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the Companies Act, 2013 read with the Rules made thereunder and the Regulations, and are independent of the management.

During the year under review, the Company did not have any pecuniary relationship or transactions with any of its directors, other than payment of remuneration to the Executive Directors and payment of sitting fees to Non-executive Directors and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committees of the Company.



The Independent Directors have also given declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

The Appointment and Tenure of the Independent Directors, including code for Independent Directors are available on the website of the Company, 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 13th February, 2024.

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.

Number of meetings of the Board

During the year under review, 5 (five) Board Meetings were held on the following dates 24th May, 2023, 06th July, 2023, 11th August, 2023, 07th November, 2023 and 13th February, 2024. 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 Regulations.

Committees of the Board

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following statutory Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee of Directors
- Nomination and Remuneration Committee

- Corporate Social Responsibility and Sustainability Committee
- Stakeholders Relationship Committee

Details of composition, terms of reference and number of meetings held for respective Committees are given in the Report on Corporate Governance, which forms a part of this Annual Report. During the year, all recommendations made by the committees were approved by the Board.

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>'.

Composition of the Audit Committee

The Audit Committee comprises Mr. Deepak N. Shah as its Chairperson, Mr. Ketan A. Jariwala and Ms. Kruti Kothari, 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 13th February, 2024 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 2023-24. 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 B".

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.

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 2023-24.

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, 2024, 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, 2024 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 F' 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: <https://www.stml.in/policies.aspx>.

Consequent to the retirement of Mr. Harishchandra B. Bharucha as member of the the CSR Committee, Mr. Deepak N. Shah was inducted as member of the Committee with the consent of Board of Directors obtained through circular resolution.

The present members of the CSR Committee comprise of Mr. Ketan Jariwala as the Chairman, Mr. Paresh V. Chothani and Deepak N. Shah as Members. The CSR Committee met on 13th February, 2024 to review the Corporate Social Responsibility Policy.

For the FY. 2023-24, the provisions of Section 135 (1) of the Companies Act, 2013 is not applicable since the Company is not falling under the criteria as prescribed with respect to net worth or turnover or net profit during the immediately preceding financial year.

Further, pursuant to Rule 3(2) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022 ("the Amendment Rules") issued by MCA notification dated 20 September, 2022, the company is exempted from compliance from CSR compliance / spending for the FY. 2023-24, however, the disclosure with respect to constitution of CSR Committee and the report of the committee has been made forming part of the 'Annexure A'.

Related Party Transactions

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. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature or when the need for these transactions cannot be foreseen in advance.

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.

Pursuant to Regulation 23(9) of the Listing Regulations your company has filed half yearly report on Related Party Transactions with the stock exchanges.

The Company has formulated a policy on 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>.

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.



The details of the transactions with related parties are provided in the accompanying Financial Statements.

Auditors

Statutory auditors

In line with the requirements of the Companies Act, 2013, Statutory Auditor M/s Sharp and Tannan Associates, Chartered Accountants (ICAI Firm Registration Number 109983W) were appointed as Statutory Auditor of the Company at the 76th AGM held on 13th September, 2022 to hold office from the conclusion of the said meeting till the conclusion of the 81st 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.

Representatives of M/s Sharp and Tannan Associates, Statutory Auditors of your Company attended the previous AGM of the Company held on 11th August, 2023.

Report on Financial Statements

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 March, 2024 is annexed to the financial statements in terms of the provisions of Section 134(2) of the Companies Act, 2013. The observations of the Auditors in their report are self-explanatory and/or explained suitably in the Notes forming part of the Financial Statements. The report of the Statutory Auditors does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

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 2023-24. The Company had intimated to the Ministry of Corporate Affairs, Cost Audit Department updating them on the decision of the management with intimation to the outgoing cost auditors.

Secretarial Audit

The Board has appointed M/s Jigar Vyas & Associates, Practicing Company Secretaries as Secretarial Auditor for the Financial Year 2023-24 in terms of the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report of the Company for the Financial Year ended 31 March, 2024 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. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year 2023-24 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.

Compliance with Secretarial Standards

The Company has generally complied with all the applicable provisions of Secretarial Standard on Meetings of Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2), respectively issued by Institute of Company Secretaries of India.

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 Aadil Aibada & Associates (ICAI Membership No.045310), Chartered Accountants as Internal Auditors of the Company, for the financial year 2023-24.

Consequent to the resignation of M/s Aadil Aibada & Associates (ICAI Membership No.045310), Chartered Accountants as Internal Auditors of the Company, the Board of Directors of the Company at its meeting held on 24th May, 2024 approved the appointment of M/s K. S. Jagirdar & Co., Chartered Accountants as Internal Auditor for the year 2024-25 in accordance with the provisions of Section 138 of the Companies Act, 2013.

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



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

The Company has internal financial controls which are adequate and were operating effectively. 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.

Your Company has in placed adequate Internal Financial Controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations. 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 24th May, 2024, 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 31st March, 2024.

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.

Significant and Material Orders passed by the Regulators/ Proceedings

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

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 annexed herewith as '**Annexure C**' forming part of this report and available on the 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 web link of the Company at <http://www.stml.in/policies.aspx>.

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, 2024 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 complaint 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 frauds by auditors

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's 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 3rd 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.



Our safety, health and environment objectives include complying with all applicable laws relevant to the Company and its business activities. The Management believes in sharing responsibility throughout the hierarchy in conforming to the existing laws.

The Company has obtained necessary approvals from concerned Government Department / safety clearances as applicable to the Company.

Industrial Relations / Human Resources

During the year under review, industrial relations in the Company continued to be cordial and peaceful.

Green Initiatives

In commitment to keep in line with the Green Initiatives and going beyond it, the Notice of 78th Annual General Meeting of the Company including the Annual Report for FY 2023-24 are being sent to all Members whose e-mail addresses are registered with the Company / Depository Participant(s).

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 Companies Act, 2013 read with rules made thereunder at the end of FY24 or the previous financial years.

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.

Extract of the Annual Return

Pursuant to Section 134(3)(a) of the Companies Act, 2013 the Annual Return in Form MGT 7 as at the financial year ended 31st March, 2023 prepared in accordance with Section 92(3) of the Act is made available on the website of your Company and link for the same is given in Annexure-1 of this report.

Further, the Annual Return in Form MGT 7 as at the financial year ended 31st March, 2024 will be hosted on website of the Company at <http://www.stml.in> under web link: <http://www.stml.in/AnnualReturn.aspx> after necessary certification and filing the same with the authority.

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 is 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 31st March, 2024.

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 2023-24	FY 2022-23
1	Current Ratio (times)	98.71	128.38
2	Debt Service Coverage Ratio (times)	31.19	11.65
3	Return on Equity Ratio (%)	4.52	2.20
4	Net Profit Ratio (%)	14.98	12.16
5	Return on Capital employed (%)	6.64	2.12
6	Return on Investment (%)	15.47	6.64
7	Inventory Turnover (times)	8.60	0.00

Note:

1. Debt-Equity Ratio, Inventory Turnover 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 no disclosure or reporting is required in respect to the following items, as there were no transactions/events on these matters during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme or ESOPs.
3. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3) (c) of the Companies Act, 2013).
4. Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.
5. One time settlement of loan obtained from the Banks or Financial Institutions.
6. Revision of financial statements and Directors’ Report of your Company
7. There has been no change in the nature of business of the Company during the year under review.

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 agencies.

Your directors also acknowledge with gratitude the support of customers, agents, suppliers 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

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.

Alok P.Shah
Managing Director
DIN: 00218180

Surat, 27th June,2024



Annexure - A

ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

1	<p>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>	<p>(a) Focus areas:</p> <p>The Company supports various bodies in carrying out activities in the areas of rural development, education, health care etc.</p> <p>(b) CSR Objectives:</p> <p>To attain its CSR objectives in a professional and integrated manner, the main objectives are:</p> <ol style="list-style-type: none"> (1) To promote, carry out, support activities relating to Education and Training, Health care, Employment enhancing Vocational skills, Conversion of Natural Resources and Promotion & Development of Art etc. (2) To promote, carry out, support any activities covered in Schedule VII to the Companies Act, 2013 as amended from time to time. (3) Ensuring protection and restoration of wildlife within the scope of operations (4) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance of works of art. <p>Further, pursuant to Rule 3(2) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022 (“the Amendment Rules”) issued by MCA notification dated 20th September 2022, the Company is exempted from CSR compliance / spending for the F.Y. 2023-24, since the Company is not falling under the criteria as prescribed in accordance with the provisions of Section 135 (1) of the Companies Act, 2013 with respect to net worth or turnover or net profit during the immediately preceding financial year, however, the Company has complied with the disclosure with respect to constitution of CSR Committee and the report of the committee.</p> <p>(c) 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 www.stml.in</p>
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2	Composition of CSR Committee	<p>The CSR Committee comprises the following members:</p> <ul style="list-style-type: none"> a. Mr. Ketan Jariwala, Independent Director - Chairman b. Mr. Paresh V. Chotani, Wholetime Director - Member c. Mr. Deepak N. Shah, Independent Director - Member <p>During the financial year 2023-24, 1 (one) meeting of CSR Committee was held on 13th February, 2024. 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.	<p>Web-Link to the CSR Policy: http://www.stml.in/policies.aspx</p>									
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.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Financial year</th> <th style="width: 50%; text-align: center;">Amount available for set-off from preceding financial years</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2020-21</td> <td style="text-align: center;">Rs.0.09 Lakhs</td> </tr> <tr> <td style="text-align: center;">2021-22</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td style="text-align: center;">2022-23</td> <td style="text-align: center;">Nil</td> </tr> </tbody> </table>		Financial year	Amount available for set-off from preceding financial years	2020-21	Rs.0.09 Lakhs	2021-22	Nil	2022-23	Nil
Financial year	Amount available for set-off from preceding financial years										
2020-21	Rs.0.09 Lakhs										
2021-22	Nil										
2022-23	Nil										
6	Average Net Profit of the Company for last three financial years (as per Section 198 of the Companies Act, 2013)	Not Applicable: Since the Company is exempted from CSR compliance / spending for the F.Y. 2023-24, and the Company is not falling under the criteria as prescribed in accordance with the provisions of Section 135 (1) of the Companies Act, 2013.									
7	Prescribed CSR Expenditure (two per cent of the amount as in item 6 above)	Not Applicable									
8	Details of CSR spent during the financial year										



	(a)	Total amount to be spent for the financial year.	Nil
	(b)	Amount unspent, if any.	Not Applicable
	(c)	Manner in which the amount spent during the financial year.	Not Applicable
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	Not Applicable
	(ii)	Total amount spent for the Financial Year	Nil
	(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Not Applicable
	(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.
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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, 27th June, 2024

Alok P. Shah
Managing Director
(DIN 00218180)

Ketan Jariwala
Chairperson - CSR Committee
(DIN 02095540)



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: 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: 11.87% (4) Mr. Chandresh S. Punjabi Chief Financial Officer: 9% (5) Ms. Mahek Gaurav Jaju, Company Secretary: No increment was proposed during the year.
3.	The Percentage increase in the median remuneration of employees in the financial year.	6.37%
4.	Number of Permanent Employees on the rolls of the Company as on 31 st March, 2024.	25
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 2024: Rs.48.04 Lakhs * (ii) Total revenue: Rs. 6056.37 Lakhs (iii) Remuneration of KMPs (as percentage of revenue): 0.79 (iv) Profit / (Loss) before tax: 1347.27 Lakhs (v) Remuneration of KMPs (as percentage of PBT): 3.57 * 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-managerial 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 31/03/2024: Rs.211.85 Crore Market capitalization as on 31/03/2023: Rs. 166.55 Crore
13.	Price earnings ratio as at the closing of 31 st March, 2024 and 31 st March, 2023.	31/03/2024: -23.27 31/03/2023: 2.67
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

Surat, 27th June, 2024

Alok P. Shah
Managing Director
DIN: 00218180



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 and Central Government, wherever required.

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, 2024

[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, 6th 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 31st March, 2024**. 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 31st March, 2024** (‘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 31st March, 2024** 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**); and

(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);**

(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) Listing Agreements entered into by the Company with BSE Limited read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

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 for meetings other than those held at shorter notice, 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 the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of account have not been reviewed in this audit since the same have been subject to review by statutory auditor and other designated professionals.

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.

As informed, the Company has responded to notices for demand, claim, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

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, except the following:

1. During the year under review, upon receiving approval from Registrar of Companies ("ROC"), Central Registration Centre ("CRC"), Ministry of Corporate Affairs("MCA") vide their communication dated 22nd July 2023, for availability of changed name, the Board of Directors of the Company at its meeting held on 11th August, 2023 approved the proposal for change of name of the Company from "Surat Textile Mills Limited" to "Surat Trade and Mercantile Limited" along with the consequential amendments required to be made in the Memorandum of Association and Articles of Association, subject to the approval of ROC, CRC, MCA and the Shareholders of the Company.

Thereafter, the Company obtained shareholders approval through Postal ballot process on 14th September, 2023 for change of name of the Company from "Surat Textile Mills Limited" to "Surat Trade and Mercantile Limited".

On filing of necessary documents and after verification of the same, the Ministry of Corporate Affairs through the Office of Registrar of Companies, Gujarat,



Ahmedabad issued a fresh Certificate of Incorporation pursuant to change of name [Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014] under Corporate Identification Number (CIN): L17119GJ1945PLC000214 under the new name “Surat Trade and Mercantile Limited” on 18th September, 2023.

The Company is in compliance with the conditions provided under Regulation 45 of SEBI (Listing Obligations and Disclosure) Requirements, 2015 (“Listing Regulation”), with respect to change of name of the listed entity, to the extent they are applicable.

For **Jigar Vyas & Associates**
Practicing Company Secretaries

Sd/-

Jigar Vyas

Proprietor

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

Peer Review

Certificate No.:2273/2022

UDIN:F008019F000571912

Place: Surat

Date: 14th June, 2024

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, 6th 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**
Practicing Company Secretaries

Sd/-
Jigar Vyas
Proprietor
FCS No.: 8019 C.P. No.: 14468

Peer Review
Place: Surat Certificate No.:2273/2022
Date: 14th June, 2024 UDIN:F008019F000571912

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 2023-24. 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 2023-24.

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 2023-24 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.	82.76

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

Surat, 27th July, 2024

Alok P. Shah
Managing Director
DIN: 00218180

Annexure – F**REPORT ON CORPORATE GOVERNANCE**

This report is prepared in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations, 2015'), and the report contains systems and processes at Surat Trade and Mercantile Limited.

1. COMPANY'S PHILOSOPHY

Your Company's Corporate Governance philosophy is based on transparency, accountability, values, and ethics, which forms an integral part of the Management's initiative in its ongoing pursuit towards achieving excellence, growth and value creation.

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. The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

2. BOARD OF DIRECTORS**(a) Composition of the Board**

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.

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 March 31, 2024, comprised of 6 Directors, out of which 3 were Executive Directors and 3 were Non-Executive Directors, all being Independent Directors.

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, based on the recommendation of the Nomination and Remuneration Committee ("NRC") and Board of Directors, members by way of Postal Ballot through Special Resolution approved the Appointment of Mr. Suhail P. Shah as the Wholetime Director designated as Executive Director of the Company for a period of 3 (Three) years with effect from 1st September 2023 and remuneration thereof.

During the year under review, Mr. Harishchandra B. Bharucha has retired from the office of directorship of the Company on expiry of his second term of 5 (five) years on 31st March, 2024 and therefore ceased to be a Director of the Company with effect from close of business hours on 31st March, 2024.

(b) Number of meetings of the Board

During the Financial Year 2023-24, Five Board Meetings were held on 24.05.2023, 06.07.2023, 11.08.2023, 07.11.2023 and 13.02.2024. The gap between any two meetings was not more than 120 days, ensuring compliance with the requirement of Regulation 17 of the Listing Regulations and the Act. During the year, the Board also transacted some of the business by passing resolution by circulation.



(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 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 information as required under Part A of Schedule II to the Listing Regulations is also made available to the Board, wherever applicable, for their consideration. Video conferencing facility is used as and when required to facilitate Directors at other locations to participate in the meetings.

(d) Directors’ attendance record and details of Directorship/Committee Position held

None of the Directors on the Board is a Member of more than ten Board-level Committees or Chairman of more than five such Committees and none of the Directors serves as an Independent Director in more than seven listed companies.

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 77 th AGM held on 11.08.2023	No. of Directorships in other Public Limited Companies	No. of Committee positions held in other Public Limited Companies
Mr. Suhail P. Shah*	Wholetime Director	2	No	-	-
Mr. Harishchandra Bharucha**	Non-executive, Independent	5	Yes	-	-
Mr. Ketan Jariwala	Non-executive, Independent	5	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 1st September, 2023

**Retired on expiry of his term on 31.03.2024

Excluding Independent Directors 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) Board Diversity and Expertise

The Board of the Company is highly structured to ensure a high degree of diversity by age, education/ qualifications, professional background, sector expertise and special skills.

The following are the skills /expertise/competencies as identified by the Board:

Core skills / expertise / competencies identified by the Board of Directors as required in the context of its business(es) and sector(s)	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 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, Mr. Ketan A. Jariwala, 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 2023-24. 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 Company has received declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. 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

A separate meeting of Independent Directors of the Company without the presence of the Executive Directors & the Management Representatives was held on 13th February, 2024 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. 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.

All the Independent Directors of the Company attended the Meeting of Independent Directors held on 13th February, 2024. The Independent Directors expressed their satisfaction to the desired level on the governance of the Board.

(k) Familiarization Programme for Board Members

Pursuant to Regulations 25 (7) and 46 of Listing Regulations, the Company has a familiarisation programme for its Independent Directors with regard to their roles, rights and responsibilities in the Company and provides details regarding the nature of the industry in which the Company operates, the business models of the Company etc. which aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights, and responsibilities.

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 2023-24 is disclosed on the Company's website at the web link: <http://www.stml.in/policies.aspx>

(l) 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

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 is having a duly constituted Audit Committee and as on March 31, 2024, majority of the members of 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, 2024:

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

* Retired on expiry of his term on 31/03/2024.

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. Mr. Deepak N. Shah was appointed as Chairman of the Audit Committee with effect from 14th November, 2022 in place of Ms. Kruti Kothari who continued to be a member of the committee. 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 2023-24, the Audit Committee of the Company met 4 (four) times on 24.05.2023, 11.08.2023, 07.11.2023 and 13.02.2024. The gap between any two meetings was not more than 120 days. The Committee, in its meeting held on 24th May, 2024 reviewed the Audited Annual Accounts for the year ended 31st March, 2024.

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 77th Annual General Meeting of the Company held on 11th August, 2023 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. Harishchandra Bharucha as Chairman, Mr. Ketan Jariwala and Ms. Kruti Kothari, Independent Directors as members.

Consequent to retirement of Mr. Harishchandra Bharucha on expiry of his 2nd term as Independent Director, the Board of Directors reconstituted the Committee and inducted Mr. Deepak N. Shah, Independent Director as the member of the Committee while Mr. Ketan A. Jariwala taking over as Chairman of the Committee.

During the year 2023-24, 2 (Two) meetings of the Nomination and Remuneration Committee were held on 24.05.2023 and 11.08.2023 wherein all the members were present.

The Chairman of the Nomination and Remuneration Committee was present at the 77th Annual General Meeting of the Company held on 11th August, 2023 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 2023-24 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

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. Harishchandra Bharucha, Independent Director is the Chairman of this Committee.

Composition of Stakeholders' Relationship & Investors Grievance Committee

The Stakeholders' Relationship & Investors Grievance Committee comprises of the following members as on March 31, 2024:

Sr. No.	Name of Member	Category of Director
1	Mr. Harishchandra Bharucha, Chairman*	Non-Executive, Independent
2	Mr. Paresh V. Chothani, Member	Whole time Director
3	Mr. Ketan Jariwala, Member	Non-Executive, Independent

* Retired on expiry of his term on 31/03/2024. During the Financial Year 2022-23, the Committee met once on 30.05.2022. All the members were present at the meeting.

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
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 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 Financial Year 2023-24 are as follows:

Number of pending complaints at the beginning of the Financial Year	0
Number of complaints received during the Financial Year	47
Number of complaints resolved during the Financial Year	47
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, 2024:

Sr. No.	Name of Member	Category of Director
1	Mr. Ketan Jariwala, Chairman	Non-Executive, Independent
2	Mr. Harishchandra Bharucha, Member*	Non-Executive, Independent
3	Mr. Paresh V. Chothani, Member	Whole time Director

*Consequent to retirement of Mr. Harishchandra Bharucha on expiry of his 2nd term as Independent Director, the Board of Directors reconstituted the Committee and inducted Mr. Deepak N. Shah, Independent Director as the member of the Committee while Mr. Ketan A. Jariwala taking over as Chairman of the Committee.

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.

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 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 13th February, 2024 to review the Corporate Social Responsibility Policy.

(e) Other Committees of Directors**Management Committee of the Board**

The Board of Directors has constituted Management Committee of Directors to approve routine and specific matters delegated by the Board.

Consequent to the retirement of Mr. Harishchandra Bharucha as non-executive independent director of the Company, Mr. Deepak N. Shah, the non-executive Independent Director was appointed as member of the said Committee. The composition of the Committee of Directors comprises of Mr. Deepak Shah, Chairman, Mr. Paresh V. Chothani and Mr. Ketan A. Jariwala as Members as on date.

5. SHAREHOLDER INFORMATION**(a) Remuneration to Directors****Remuneration paid to Executive Directors during the financial year 2023-24**

(Rs. in Lakhs)

Sr. No.	Name of Director	Salary & Perquisites
1.	Mr. Paresh V. Chothani, Wholetime Director	14.51
2.	Mr. Alok P. Shah	4.80
3.	Mr. Suhail P. Shah, Wholetime Director	1.75

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 2023-24 was Rs. 7,60,000.

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.



(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 herein below:

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

Financial Year	Venue	Date	Time
2022-23	Meeting held through Video Conferencing (VC) / Other Audio - Visual Means (OAVM)	11 th August, 2023	3.30 p.m.
2021-22	Meeting held through Video Conferencing (VC) / Other Audio - Visual Means (OAVM)	13 th September, 2022	03.30 p.m.
2020-21	Meeting held through Video Conferencing (VC) / Other Audio - Visual Means (OAVM)	20 th July, 2021	03.00 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 77th Annual General Meeting held on 11th 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 1st April, 2023 up to the remaining tenure of his present term ending on 30th June, 2025.
- (2) A Special Resolution was passed at the 76th Annual General Meeting held on 13th September, 2022 for appointment of Mr. Deepak N. Shah (DIN: 07356807) as an independent director of the Company.
- (3) A Special Resolution was passed at the 75th Annual General Meeting held on 20th July, 2021 for alteration in the Object Clause of the Memorandum of Association of the Company.

Extraordinary General Meeting

No Extraordinary General Meeting (EGM) was held during the last three Financial Years i.e. FY 2023-24, 2022-23 and FY 2021-22

Postal Ballot conducted during the year:

During the year 2023-24, following proposals were placed for approval at the General Meeting of the Shareholders through Postal Ballot process:

Sr. No.	Particulars & Type of Resolution
1.	To approve the appointment of Mr. Suhail P. Shah as an Additional Director of the Company, as an Ordinary Resolution
2.	To approve the appointment of Mr. Suhail P. Shah as the Wholetime Director designated as Executive Director of the Company for a period of 3 (Three) years with effect from 1 st September 2023, as a Special Resolution
3.	To approve the Change of Name of the Company from Surat Textile Mills Limited to Surat Trade and Mercantile Limited and consequent alteration in Memorandum and Articles of Association of the Company, subject to approval of the Shareholders, as a Special Resolution

All the resolutions were passed with the requisite majority.



(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 'Dhabkar' (Gujarati) newspapers and posted on the Company's website at www.stml.in. In terms of the Listing Regulations, the Company has a designated email ID for dealing with Investors' complaints viz., sharedepartment@stml.in.

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

(d) General Shareholder information: Forthcoming Annual General Meeting

(i)	AGM: Date Time and Venue	Tuesday, 6 th August, 2024	
		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 th Floor, Puna-Kumbharia Road, Dumbhal, Surat 395010.	
(ii)	Financial Calendar (tentative)	Board Meetings for approval of:	
		Financial Results for the first quarter ending June 30, 2024	Before August 14, 2024
		Financial Results for the second quarter ending September 30, 2024	Before November 14, 2024
		Financial Results for the third quarter ending December 31, 2024	Before February 14, 2025
		Audited Annual Accounts for the Year ending 31 st March, 2025	On or before May 30, 2025
(iii)	Dates of Book Closure	Friday, 2 nd August, 2024 to Tuesday, 6 th August, 2024 (Both days inclusive)	
(iv)	Listing on Stock Exchange and Stock Code	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 2024-25 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 2023-24 at the BSE Limited are as under:

Month	High (Rs.)	Low (Rs.)
Apr-23	8.10	7.31
May-23	10.25	7.00
Jun-23	9.00	8.00
Jul-23	8.83	7.60
Aug-23	8.95	7.90
Sep-23	9.75	8.50
Oct-23	9.59	8.00
Nov-23	9.90	8.00
Dec-23	10.40	8.61
Jan-24	12.80	9.33
Feb-24	13.90	10.25
Mar-24	12.60	8.80

Source: Website of BSE

Shareholding Pattern as on 31st March, 2024:

No. of Equity Shares	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares
1 - 5000	1,27,567	98.67	3,77,96,797	17.02
5001 - 10000	1,052	0.81	79,43,284	3.58
10001 - 20000	395	0.30	55,95,935	2.52
20001 - 30000	110	0.09	27,62,416	1.24
30001 - 40000	49	0.04	17,27,979	0.78
40001 - 50000	41	0.03	19,69,412	0.89
50001 - 100000	46	0.04	34,07,927	1.53
100001 & above	28	0.02	16,08,60,690	72.44
TOTAL	1,29,288	100.00	22,20,64,440	100.00

Distribution of shareholding as on 31st March, 2024:

Sr. No.	Category of Shareholders	No. of Shares held	% to Equity Capital
1.	Promoters	15,20,04,917	68.45
2.	Indian Public	6,28,20,790	28.29
3.	Banks, Financial Institutions & Insurance Companies	500	0.00
4.	NRI's / Overseas Body Corporates	809006	0.36
5.	Bodies Corporate	6429127	2.90
6.	NBFC Registered with RBI	0	0.00
7.	Others (NSDL+CDSL) Clearing Members	100	0.00
	TOTAL	22,20,64,440	100.00

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 has to 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 31st March, 2024, out of 222064440 Equity Shares aggregating to 100 % of the total Equity Capital as on 31/03/2024 of which 1.01 % (2240490 Equity Shares) of total equity capital is held in Physical form, 62.51% (138802699 Equity Shares) of total equity capital is held with NSDL and 36.48% (81021251 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 inward.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 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 2023-24.

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.

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

Compliance officer

Ms. Mahek Gaurav Jaju, Company Secretary is the Compliance Officer 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.

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.

Reconciliation of Share Capital Audit

As required, pursuant to Regulation 40(9) of the Listing Regulations, quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital. The Auditor's Certificate in regard to the same is submitted on quarterly basis to BSE and is also placed before the Board of Directors of the Company.

**Depository Services:**

The Equity Shares of your Company are traded in compulsory dematerialised 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 2024-25 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>.

The Company on a yearly basis file with the Stock Exchanges:

- a. a compliance certificate duly signed by both, the Compliance Officer of the Company and the authorized representative of the RTA certifying that all activities in relation to share transfer facility is maintained by KFin Technologies Limited, Registrar and Share Transfer Agent registered with the SEBI.
- b. a certificate of compliance from a Company Secretary in practice confirming issue of share certificates within a period of 30 days of lodgement of the investor service request as prescribed under Regulation 40 (9) of the Listing Regulations.

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, 2024. 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 31st March, 2024.

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.

(i)	For Shares held in Physical Form	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: inward.ris@kfintech.com Toll Free No. 1-800-309-4001
(ii)	For query on Annual Report	Surat Trade and Mercantile Limited Secretarial Department, Tulsi Krupa Arcade, 6 th Floor, Puna-Kumbharia Road, Dumbhal, Surat 395010
(iii)	For Shares held in Demat Form	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

Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a half-yearly basis, by a Company Secretary in Practice, certifying due compliance of share transfer formalities by the Company.

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 dematerialised form (held with NSDL and CDSL).

Mr. Jigar Vyas of M/s Jigar Vyas & Associates, Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2023-24. 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 Practicing Company Secretary

Mr. Jigar Vyas of 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 Mr. Jigar Vyas of M/s Jigar Vyas & Associates, Practicing Company Secretaries, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended 31st March, 2024.

Certificate on Corporate Governance

The Certificate on Corporate Governance is provided as **Annexure G** 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	http://www.stml.in/CodeOfConduct.aspx
Annual Return	http://www.stml.in/AnnualReturn.aspx
Familiarization Programme for Independent Director	http://www.stml.in/policies.aspx
Policy For Determining Material Subsidiaries	http://www.stml.in/policies.aspx
Policy for Related Party Transaction	http://www.stml.in/policies.aspx
Corporate Social Responsibility Policy	http://www.stml.in/policies.aspx
Whistle Blower	http://www.stml.in/policies.aspx
Preservation of Documents and Archival Policy	http://www.stml.in/policies.aspx
Policy on Determination of Materiality of Events Information	http://www.stml.in/policies.aspx
Code of Practices and Procedures for Fair Disclosure	http://www.stml.in/policies.aspx



(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.

- a. The Company does not have any Material Subsidiary Company.
- b. Policy on dealing with related party transactions is available on the website of the Company.
- c. 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.

1. The Board: The Chairperson does not maintain his separate office at the Company's expense.
2. Shareholder Rights: The Company publishes the financial results in newspapers and places on its website and does not send it to shareholders.
3. 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.
4. Separate posts of chairperson and chief executive officer: The Company has a Managing Director and a Whole time Director of the Company.
5. 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 2023-24
Statutory Audit Fees	5.89
Fees for Limited Review Report	3.75
Certification Fees	3.91
Reimbursement of out-of-Pocket Expenses	0.11
Total	13.66

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

The Company has obtained a Certificate from a Practicing Company Secretary 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.

For **Surat Trade and Mercantile Limited**

Place: Surat
Date: 20th May, 2024

Alok P. Shah
Managing Director
DIN: 00218180



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, 6th 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, 2024 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: 20th May, 2024**

Alok P. Shah
Managing Director
DIN: 00218180

Chandresh S. Punjabi
C.F.O.



CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

**(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 31st March, 2024.

For Surat Trade and Mercantile Limited

Place: Surat
Date: 20th May, 2024

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 Board of Directors,
Surat Trade and Mercantile Limited,
Tulsi Krupa Arcade,
6th Floor, Near Aai Mata Chowk,
Puna-Kumbharia Road, Dumbhal,
SURAT 395010.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SURAT TRADE AND MERCANTILE LIMITED having CIN L17119GJ1945PLC000214 and having registered office at Tulsi Krupa Arcade, 6th Floor, Near Aai Mata Chowk, Puna-Kumbharia Road, Dumbhal, Surat 395 010, Gujarat (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company, as stated below for the financial year ended 31st March, 2024, have been debarred or disqualified from being appointed or continuing as Directors by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	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. Harishchandra B. Bharucha *	00138430	26/11/2010

* ceased to be a director w.e.f. 31.03.2024

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

For Jigar Vyas & Associates
Company Secretaries

Sd/-

Jigar Vyas
Proprietor

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

UDIN: F008019F000558791

Peer Review Certificate No.:2273/2022

Place: Surat

Date: 11th June, 2024



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

I have examined compliance of the conditions of Corporate Governance by the **SURAT TRADE AND MERCANTILE LIMITED** (the "Company") for the year ended 31st March, 2024, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the SEBI Listing Regulations for the year ended 31st March, 2024.

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.

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. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

I state that no complaint relating to investor's grievance received by the Company is pending unresolved as on 31st March, 2024.

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

For **Jigar Vyas & Associates**
Company Secretaries

Sd/-

Jigar Vyas

Proprietor

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

UDIN: F008019F000558888

Peer Review Certificate No.:2273/2022

Place: Surat

Date: 11th June, 2024



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, 2024, 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 to as the “Standalone Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (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 (financial position) of the Company as at March 31, 2024, 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 of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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
<p>For the year ended 31st March 2024, the company’s financial statements include revenue of Rs. 6,056.37 Lakhs generated from trading in commodities and other commodity-related activities.</p> <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>With a view to verifying the reasonableness of the revenue accounting we carried out the following procedures:</p> <ul style="list-style-type: none"> • Understanding the internal control environment for revenue recognition and test checks with a view to verifying its operating effectiveness; • Read terms of the contracts and verified the accuracy of sales recognition;



Key Audit Matter	Auditor's Response
<p>In case of revenue recognition, risk of material misstatement significantly increases for the timing of the 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"> • Verified cut-off documents to ensure that revenue is recognized in correct accounting period and carried out other substantive procedures; • Performed analytical procedures and obtained reasons for major variances; • 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; • Ensured that revenue was recognized in accordance with the accounting policy of the Company and made adequate & appropriate disclosures in the financial statements;

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Board's report and Management Discussion and Analysis included in the annual report but is not included in standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Management's and Board of Directors 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 Ind AS.

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.

Those Board of Directors is 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) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have pending litigations as at March 31, 2024.
 - 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;



- (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; and
- 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, except for the instances mentioned below, the company has used 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. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

The feature of the recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on the preservation of audit trail as per the statutory requirement for record retention is not applicable for the financial year ended March 31, 2024.

- 3. 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, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. During the year the company has adequate profit, accordingly, the remuneration paid to the director by the company is as per the provision of Section 197 of the Act, where requisite approvals have been taken in the general meeting. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to comment upon by us;

SHARP & TANNAN ASSOCIATES

Chartered Accountants

Firm's Registration No.: 0109983W

by the hand of

CA Pramod Bhise

Partner

Membership No.: (F) 047751

UDIN: 24047751BKAARO5531

Pune, May 24, 2024



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(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, certain PPE were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed in 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 subsidiaries, joint ventures and associates and parties other than subsidiaries, joint ventures, and associates 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 any subsidiaries, joint ventures, associates, and other parties.



- (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 and the repayment schedule is not stipulated; 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 and the repayment schedule is not stipulated for the same accordingly, we are not able to comment on the total amount overdue for more than ninety days and whether the company has taken reasonable steps for recovery of that amount.
- (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 overdue of existing loans renewed or extended or settled by fresh loans (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	-
	Total	500.00	-

- (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 the 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 sections 185 & 186 of the Act. Accordingly reporting on paragraph 3 Clause (iv) of the Order is not applicable.
- 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 under paragraph 3 (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, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, and other material statutory dues applicable to it to the appropriate authorities except there were generally delay in Professional tax 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, 2024, for a period of more than six months from the date they became payable.
 - (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 a dispute as at March 31, 2024. Accordingly, reporting on paragraph 3 Clause (vii) (b) of the Order is not applicable to the Company.



- viii. According to the information and 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 and explanations given to us, the company does not have any loans or borrowings from banks or financial institutions or 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 money by way of initial public offer or further public offer (including debt instruments), accordingly reporting on paragraph 3 Clause (x) (a) 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) 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 no 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 under clause 3 (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 Sections 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) are 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) 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 explanation given to us and on the basis of the accounts and records examined by us, we report that the company does not fall under the criteria specified in section 135 of the act and spent the same towards the fund specified in Schedule VII of the act. Accordingly, paragraph 3 Clause (xx) (a) & (b) of the order are not applicable.
- xxi. In our opinion and according to the information and explanation given to us, the company does not have any subsidiaries, associates or joint ventures during the year. Hence, the Company is not required to prepare Consolidated Financial Statements. Accordingly, reporting under 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: 24047751BKAAARO5531

Pune, May 24, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(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 Over Financial Reporting under Clause (i) Section 143 (3) of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of **SURAT TRADE AND MERCANTILE LIMITED (Formerly known as 'Surat Textile Mills Limited')** (hereinafter referred to as "the Company") as of March 31, 2024, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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 over financial reporting, and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

Management and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note. 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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note 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 over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's 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 system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit 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 the 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

SHARP & TANNAN ASSOCIATES

Chartered Accountants

Firm's Registration No.: 0109983W

by the hand of

CA Pramod Bhise

Partner

Membership No.: (F) 047751

UDIN: 24047751BKAARO5531

Pune, May 24, 2024



SURAT TRADE AND MERCANTILE LIMITED

(Formerly Surat Textile Mills Limited)

Balance Sheet as at 31st March, 2024

(Rs. in Lakhs)

Particular	Note No.	As at	
		31 st March, 2024	31 st March, 2023
ASSETS			
1 NON-CURRENT ASSETS:			
(a) Property, Plant and Equipment	1	169.63	183.13
(b) Right of Use Assets	1	177.50	13.34
(c) Capital Work-In-Progress		0.00	0.00
(d) Other Intangible Assets	1	0.50	0.56
(e) Investment Property	2	993.86	993.86
(f) Financial Assets			
(i) Investments	3	5838.90	3516.64
(ii) Loans and Advances		0.00	0.00
(iii) Others Financial Assets		0.00	0.00
(g) Non-Current Tax Assets (Net)	6	42.86	13.82
(h) Deferred Tax Assets (Net)		0.00	0.00
(i) Other Non-Current Assets	7	3890.96	3904.61
TOTAL NON-CURRENT ASSETS		11114.21	8625.96
2 CURRENT ASSETS:			
(a) Inventories	9	1404.70	0.00
(b) Financial Assets			
(i) Investments	3	7710.13	10262.49
(ii) Trade Receivables		0.00	0.00
(iii) Cash and Cash Equivalents	10	89.97	64.63
(iv) Bank Balances Other than (iii) above		0.00	0.00
(v) Loans and Advances	4	505.93	703.95
(vi) Others Financial Assets	5	138.24	139.75
(c) Other Current Assets	7	196.42	63.78
TOTAL CURRENT ASSETS		10045.39	11234.60
TOTAL ASSETS		21159.60	19860.56
EQUITY AND LIABILITIES			
EQUITY:			
(a) Equity Share Capital	11	2220.64	2220.64
(b) Other Equity	12	18297.28	17391.03
Total Equity		20517.92	19611.67
LIABILITIES:			
1 NON-CURRENT LIABILITIES:			
(a) Financial Liabilities			
(i) Borrowings		0.00	0.00
(ia) Lease Liabilities	13	169.53	0.00
(ii) Other Financial Liabilities	17	5.00	5.00
(b) Long-Term Provisions	14	22.56	19.34
(c) Deferred Tax Liabilities (Net)	15	342.82	137.04
Total Non-Current Liabilities		539.91	161.38
2 CURRENT LIABILITIES:			
(a) Financial Liabilities			
(i) Borrowings		0.00	0.00
(ia) Lease Liabilities	13	10.59	18.13
(ii) Trade Payables			
1. Dues of Micro Enterprises and Small Enterprises		0.00	0.00
2. Dues of Creditors Other than Micro Enterprises and Small Enterprises	16	33.67	19.68
(iv) Other Financial Liabilities	17	32.11	36.38
(b) Other Current Liabilities	18	15.71	7.40
(c) Short-Term Provisions	14	9.69	5.92
(d) Current Tax Liabilities (Net)		0.00	0.00
Total Current Liabilities		101.77	87.51
TOTAL EQUITY AND LIABILITIES		21159.60	19860.56
The accompanying Material accounting policies and notes form an Integral Part of the Financial Statements.	A to C 1 to 45		

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, 24th May, 2024

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
Surat, 24th May, 2024

Mahek Gaurav Jaju
Company Secretary



Statement of Profit and Loss for the year ended 31st March, 2024

Particular	Note No.	(Rs. in Lakhs)	
		2023-24	2022-23
Continuing Operations			
1 Income:			
(a) Revenue from Operations	19	6056.37	2497.68
(b) Other Income	20	1945.99	965.19
Total Income (a+b)		8002.36	3462.87
2 Expenses:			
(a) Cost of Material Consumed		0.00	0.00
(b) Purchase of Stock-In-Trade	21	7441.55	2478.03
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(1404.70)	0.00
(d) Employee Benefits Expense	23	187.24	189.50
(e) Finance Costs	24	5.00	3.46
(f) Depreciation and Amortisation Expense	25	32.44	41.34
(g) Other Expenses	26	393.56	376.36
Total Expenses (a to g)		6655.09	3088.69
3 Profit / (Loss) before tax from Continuing Operations (1 - 2)		1347.27	374.18
4 Tax Expenses of Continuing Operations			
(a) Current tax	8	235.20	65.36
(b) Deferred tax	8	205.78	5.05
(c) Taxes in Respect of Earlier Years	8	(1.07)	0.00
Total Tax Expenses (a+b+c)		439.91	70.41
5 (A) Profit / (Loss) after tax from Continuing Operations (3 - 4)		907.36	303.77
6 Discontinued Operations			
(a) Profit/ (Loss) before tax from Discontinued Operations	33	0.00	7339.29
(b) Tax Expenses of Discontinued Operations	8	0.00	1282.17
(c) Taxes in Respect of Earlier Years of Discontinued Operations	8	0.00	118.91
(B) Profit/(Loss) after tax from Discontinued Operations (a+b+c)		0.00	5938.21
7 (C) Profit / (Loss) for the year (C=A+B)		907.36	6241.98
8 Other Comprehensive Income / (Loss)			
(i) Items that will not be reclassified to profit / (loss)			
(a) Remeasurements of the defined benefit liabilities / (asset)	27	(1.11)	(0.94)
(ii) Income tax relating to items that will not be reclassified to profit or (loss)	27	0.00	0.00
(D) Other Comprehensive Income / (Loss) for the year		(1.11)	(0.94)
(E) Total Comprehensive Income / (Loss) for the year (E=C+D)		906.25	6241.04
10 Earnings per Equity Share of face value of Rs.1/- each - Continuing Operation	28	0.41	0.14
11 Earnings per Equity Share of face value of Rs.1/- each - Discontinued Operation	28	0.00	2.67
12 Earnings per Equity Share of face value of Rs.1/- each (10+11)		0.41	2.81
The accompanying Material accounting policies and notes form an Integral Part of the Financial Statements.	A to C 1 to 45		

As per our attached report of even date
For **Sharp & Tannan Associates**,
Chartered Accountants
Firm Registration No. 1099837W
by the hand of

For and on behalf of Board of Directors

CA Pramod Bhise
Partner
Membership No.(F) 047751
Pune, 24th May, 2024

Alok P. Shah
Managing Director
DIN: 00218180

Paresh V. Chothani
Wholetime Director
DIN: 00218632

Chandresh S. Punjabi
Chief Financial Officer
Surat, 24th May, 2024

Mahek Gaurav Jaju
Company Secretary



Cash Flow Statement for the year ended 31st March, 2024

(Rs. in Lakhs)

	2023-24	2022-23
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	1347.27	374.18
Adjustment for:		
Depreciation and Amortisation Expense	32.44	41.34
Finance Costs	5.00	3.46
Interest Income	(544.04)	(411.79)
(Profit)/Loss on Redemption of Investments	(257.34)	(35.25)
Mark to Market of bonds (EIR method)	(0.07)	(2.51)
Profit on Sale of Shopping Complex Kamla Estate	0.00	(43.16)
Profit on Sale of Fixed Assets	(20.56)	(0.17)
Unrealised Gain on Investments	(1096.12)	(473.54)
	<u>(1880.69)</u>	<u>(921.62)</u>
Operating Profit before Working Capital Changes	(533.42)	(547.44)
Movements in Working Capital		
(Increase) / Decrease in Provisions	(6.99)	17.44
(Increase) / Decrease in Trade and Other Receivables	(117.48)	(36.55)
(Increase) / Decrease in Inventories	(1404.70)	0.00
(Decrease) / Increase in Trade Payables	13.99	10.29
(Decrease) / Increase in Other Financial Liabilities	(4.27)	9.00
(Decrease) / Increase in Other Current Liabilities	8.31	(3.57)
	<u>(1511.14)</u>	<u>(3.39)</u>
Cash Generated from Operations	(2044.56)	(550.83)
Direct Taxes (Paid) / Refund.	(274.36)	(70.00)
Net Cash Flow generated from / (used in) Operating Activities (A)	<u>(2318.92)</u>	<u>(620.83)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2.22)	(17.97)
Sale of Fixed Assets	22.11	0.52
Sale of Shopping Complex Kamla Estate	0.00	63.00
Sale of UP Power Bonds	450.00	150.00
Advances against Sale of Assets	6.25	0.00
Purchase/ Sale of Art & Artifacts	15.04	(1008.34)
Purchase of Current Investments	(6060.00)	(17776.14)
Purchase of Alternate Investment Funds	(2287.43)	(1248.68)
Purchase of Debentures	(35.00)	(228.30)
Sale of Current Investments	9516.58	14833.03
Interest Income	544.00	410.87
Loans to Other Company/Firm	198.02	(701.77)
Net Cash Flow generated from / (used in) Investing Activities (B)	<u>2367.35</u>	<u>(5523.78)</u>

Cash Flow Statement for the year ended 31st March, 2024 (Contd.)

	(Rs. in Lakhs)	
	2023-24	2022-23
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Payment of Lease Liabilities	(18.13)	(26.47)
Interest (Paid) / Received	(5.00)	(3.46)
Fixed Deposit (more than 3 months)	0.00	66.71
Fixed Deposit Interest	0.04	0.92
Net Cash Flow generated from / (used in) from Financing Activities (C)	(23.09)	37.70
D. Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	25.34	(6106.91)
E. Cash and Cash Equivalents at the beginning of the year	64.63	72.40
F. Cash and Cash Equivalents at the end of the year from Continuing Operations	89.97	(6034.51)
G. Net Cashflow from Discontinued Operations	0.00	6099.14
H. Cash and Cash Equivalents at the end of the year (Refer Note No.10)	89.97	64.63
The accompanying Material accounting policies and notes form an Integral Part of the Financial Statements.	A to C 1 to 45	

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, 24th May, 2024

Chandresh S. Punjabi
Chief Financial Officer
Surat, 24th May, 2024

Mahek Gaurav Jaju
Company Secretary

Statement of Changes in Equity for the year ended 31st March, 2024

A Equity Share Capital *

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	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
Less: cancellation of shares on amalgamation	0	0.00	77580026	775.80
Add: Issue of Shares to the shareholders of Transferor Company pursuant to the amalgamation	0	0.00	77580026	775.80
Balance at the end of the year	222064440	2220.64	222064440	2220.64

*(Refer Note 11)

B Other Equity*

Particulars	As at 31 st March 2023			
	Capital Reserve	Retained Earnings	Other Comprehensive	Total
Balance at the beginning of the reporting period i.e. 1 st April, 2022	(6.90)	11128.47	28.62	11150.19
Total Comprehensive Income for the year	0.00	6241.98	(0.94)	6241.04
On Amalgamation of Vareli Trading Company Limited	0.00	(0.20)	0.00	(0.20)
Balance at the end of the reporting period i.e. 31 st March, 2023	(6.90)	17370.25	27.68	17391.03

Particulars	As at 31 st March 2024			
	Capital Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the reporting period i.e. 1 st April, 2023	(6.90)	17370.25	27.68	17391.03
Total Comprehensive Income for the year	0.00	907.36	(1.11)	906.25
Transfer to / (from) retained earnings	0.00	0.00	0.00	0.00
On Amalgamation of Vareli Trading Company Limited	0.00	0.00	0.00	0.00
Balance at the end of the reporting period i.e. 31 st March, 2024	(6.90)	18277.61	26.57	18297.28

*(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

CA Pramod Bhise
Partner
Membership No.(F) 047751
Pune, 24th May, 2024

For and on behalf of Board of Directors

Alok P. Shah
Managing Director
DIN: 00218180

Paresh V. Chothani
Wholtime Director
DIN: 00218632

Chandresh S. Punjabi
Chief Financial Officer
Surat, 24th May, 2024

Mahek Gaurav Jaju
Company Secretary



Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2024

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. Summary of 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 24th May, 2024.

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.



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

The estimates and associated assumptions are 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.



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

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;
- (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)
1	Buildings:	
	(i) Factory Buildings	30
	(ii) Other Buildings	60
	(iii) Fences,Wells,Tube wells	5
2	Plant and Machinery:	
	(i) Continuous Process Plants	25
	(ii) Other	8 to 10
3	Furniture and Fixtures	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.

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.



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

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. 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.



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

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. Remeasurements, 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. Remeasurements 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.

(iii) Termination Benefits:

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



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

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.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

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.

(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. Financial Assets Carried at Amortised Cost (AC).

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

New Standards, Interpretations and Amendments Adopted by the Company : 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, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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

(Rs. in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
Note: 2 Investment Property		
Land at Varachha	905.46	905.46
Land at Vareli	88.40	88.40
Total	993.86	993.86

(Rs. in Lakhs)

Note 2.1 Reconciliation of Investment Property

	Shopping Complex Kamla Estate	Land at Varachha	Land at Vareli	Total
Gross block				
As at 1st April, 2022	19.84	905.46	88.40	1013.70
Additions	0.00	0.00	0.00	0.00
Disposals	19.84	0.00	0.00	19.84
As at 31st March, 2023	0.00	905.46	88.40	993.86
Additions	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00
As at 31st March, 2024	0.00	905.46	88.40	993.86
Depreciation and Impairment				
As at 1st April, 2022	0.00	0.00	0.00	0.00
Change for the year	0.00	0.00	0.00	0.00
Depreciation on disposals	0.00	0.00	0.00	0.00
As at 31st March, 2023	0.00	0.00	0.00	0.00
Change for the year	0.00	0.00	0.00	0.00
Depreciation on disposals	0.00	0.00	0.00	0.00
As at 31st March, 2024	0.00	0.00	0.00	0.00
Net Block				
As at 31st March, 2023	0.00	905.46	88.40	993.86
As at 31st March, 2024	0.00	905.46	88.40	993.86

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 31st March, 2024 have been arrived at on the basis of a valuation carried out as on the respective date 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 31st March, 2024 is as follows:

Particulars	(Rs. in Lakhs)
	Level 2
	As at 31st March 2024
Land at Vareli*	6076.37
Land at Varachha	10085.53

*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 31st March, 2024	As at 31st March, 2023
Note: 3 Investments		
Non-Current Investment		
Quoted		
Amortised Cost		
Investment in Public Sector Unit (PSU) Bonds		
Bank of Baroda - 8.25% Perpetual Bond, FV Rs.10,00,000 each 50 (31 March 2023 : 50)	500.29	500.46
	500.29	500.46
Unquoted		
Amortised Cost		
Investment in Compulsorily Convertible Preference Shares (CCPS)		
Healync Technologies Private Limited, FV Rs.10 each 350000 (31 March 2023 : 00)	35.00	0.00
	35.00	0.00
Unquoted		
Amortised Cost		
Investment in Alternative Investment Fund (AIF)		
Aventus Future Leaders Fund II	249.00	178.50
Aventus Structured Credit Fund II	490.00	378.25
Ask Private Credit Fund	25.00	0.00
Bepa Credit India Fund III Scheme F	345.00	225.00
Blume Ventures India Fund IV	43.00	30.00

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

(Rs. in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
Edelweiss-Isaf III Onshore Fund	853.77	0.00
Incred Credit Opportunities Fund I	500.00	200.00
Incred Credit Opportunities Fund II	137.00	0.00
Infrastructure Yield Plus IIA	350.65	0.00
Innoven Capital India Fund	560.00	490.00
Kae Capital Fund III	50.00	20.00
Stride RTI Opportunities Fund I	100.00	100.00
Stride Venture Debt Fund II	700.00	700.00
Trifecta Venture Debt Fund III	370.00	272.00
True North Credit Opportunities Fund I	395.19	302.43
Waterbridge Ventures II Trust	135.00	120.00
	5303.61	3016.18
Total Non-Current Investments	5838.90	3516.64
Current Investment		
Quoted		
Amortised Cost		
Investment in Government Bond		
UP Power Corporation Ltd - 9.75% Taxable Bond, FV Rs.9,75,000 each 00 (31 March 2023 : 60)	0.00	446.51
Investment in Public Sector Unit (PSU) Bonds		
SBI Bank - 8.75% Perpetual Bond, FV Rs.10,00,000 each 50 (31 March 2023 : 50)	501.22	503.94
	501.22	950.45
Quoted		
Fair Value through Profit and Loss		
Investment in Mutual Funds		
ABSL Corporate Bond Fund - Growth of Rs 10/- each 100665.362 (31 March 2023 : 656960.573)	103.93	628.09
ABSL Income Fund - Growth of Rs 10/- each 503664.664 (31 March 2023 : 503664.664)	615.39	570.63
Kotak Equity Opportunities Fund Growth- of Rs 10/- each 198282.218 (31 March 2023 : 198282.218)	642.95	451.14
Nippon India Corporate Bond Fund - Growth of Rs 10/- each 1022909.293 (31 March 2023 : 2671317.634)	576.90	1392.10



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

(Rs. in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
Invesco India Contra Fund Growth- of Rs 10/- each 375963.800 (31 March 2023 : 375963.800)	471.95	327.16
Nippon India Fund CPSE ETF (RGESS) Growth- of Rs 10/- each 800000.000 (31 March 2023 : 800000.000)	640.07	317.35
ABSL CRISIL IBX 60:40 SDL + AAA PSU - Apr 2027 Index Fund Growth of Rs 10/- each 4060120.056 (31 March 2023 : 4060120.056)	449.48	419.25
ABSL Nifty SDL Apr 2027 Index Fund Growth of Rs 10/- each 4970622.167 (31 March 2023 : 4970622.167)	557.84	520.28
ICICI Prudential Corporate Bond Fund - Growth of Rs 10/- each 3229079.595 (31 March 2023 : 5123237.727)	908.84	1333.47
ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 40:60 Index Fund Growth of Rs 10/- each 0.00 (31 March 2023 : 4700181.951)	0.00	492.16
ICICI Prudential Nifty SDL Sep 2027 Index Fund Growth of Rs 10/- each 5078305.548 (31 March 2023 : 5078305.548)	564.19	526.66
ICICI Prudential Ultra Short Term Fund Growth of Rs 10/- each 49643.496 (31 March 2023 : 1778227.461)	13.52	449.91
Invesco India EQQQ NASDAQ-100 ETF Fund of Fund Growth of Rs 10/- each 3076264.415 (31 March 2023 :3076264.415)	437.20	310.49
Kotak Nifty SDL APR 2027 top 12 Equal Weight Index Fund Growth of Rs 10/- each 2699603.049 (31 March 2023 : 8365176.524)	299.79	867.28
PGIM India Flexi Cap Fund - Growth of Rs 10/- each 369803.995 (31 March 2023 : 369803.995)	132.61	103.06
Nippon India ETF Nifty 50 BeES Growth- of Rs 1/- each 149000.000 (31 March 2023 : 150000)	368.06	284.91



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

	(Rs. in Lakhs)	
	As at 31 st March, 2024	As at 31 st March, 2023
SBI Nifty 50 ETF Growth of Rs. 10/- each 50000.000 (31 March 2023 : 50000.000)	116.76	89.80
ABSL Savings Fund Growth of Rs 10/- each 6158370.000 (31 March 2023 : 0.00)	31.17	0.00
HDFC Ultra Short Term Fund Growth of Rs.10/- each 198792.186 (31 March 2023 : 0.00)	28.01	0.00
Nippon India Ultra Short Term Fund - Growth of Rs 10/- each 544.392 (31 March 2023 : 0.00)	21.95	0.00
	6980.61	9083.74
Unquoted Amortised Cost Investment in Debentures		
KKR India Financial Services Limited-NCD FV.of Rs.10,00,000 each 20 (31 March 2023 : 20)	228.30	228.30
	228.30	228.30
Total Current Investments	7710.13	10262.49
Total Investments	13549.03	13779.13
Aggregate Market Value of Quoted Investments	7982.12	10534.65
Aggregate Carrying Value of Quoted Investments	6408.27	8576.26
Aggregate Carrying Value of Unquoted Investments	5566.91	3244.48

	(Rs. in Lakhs)	
	As at 31 st March, 2024	As at 31 st March, 2023
Note: 4 Loans and Advances		
Current		
Unsecured, Considered Good		
Inter Corporate Deposits (ICD's)	500.00	700.00
Loans to Employees	5.93	3.95
Total	505.93	703.95



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

(Rs. in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
Note: 5 Other Financial Assets		
Current		
Income Receivables - Interest		
On Bonds and AIF	93.02	107.64
On ICDs	45.12	32.06
Other Interest	0.10	0.05
Total	138.24	139.75

(Rs. in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
Note: 6 Non-Current Tax Assets		
Advance Income Tax (Net of Provision)	42.86	13.82
Total	42.86	13.82

(Rs. in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
Note: 7 Other Assets		
Non-Current		
Unsecured, Considered Good		
Deposits - Receivable Long term	6.73	12.75
Paintings & Artifacts	3884.23	3891.86
	3890.96	3904.61
Current		
Unsecured, Considered Good		
Advance to Suppliers	18.91	0.54
Prepaid Expenses	13.22	11.04
Balance with Customs, GST and State Authorities	164.29	52.20
	196.42	63.78
Total	4087.38	3968.39



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

(Rs. in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
Note: 8 Taxes on Income		
The Major Components of Income Tax Expense for the year ended March 2024 and March 2023 are:		
(i) Statement of Profit and Loss		
Current Tax on continuing operation	235.20	65.36
Current Tax on discontinued operation	0.00	1282.17
Deferred Tax on continuing operation	205.78	5.05
Deferred Tax on discontinued operation	0.00	0.00
Short/(Excess) Provision of tax for earlier years on continuing operation	(1.07)	0.00
Short/(Excess) Provision of tax for earlier years on discontinued operation	0.00	118.91
Total Income Tax Expense	439.91	1471.49
(ii) Other Comprehensive Income		
Deferred Tax relating to Net Gain/(Loss) on Re-measurement of Defined Benefit Plans	0.00	0.00
(iii) Reconciliation of Effective Tax Rate		
Income before tax	1346.15	7713.47
Enacted Tax Rate in India (as per MAT)	17.47%	17.47%
Expected Tax Expense (C)=(A)*(B)	235.20	1347.54
Tax Effect of :		
Exempted Income	0.00	0.00
Expenses disallowed	0.00	0.00
Other Items	0.00	0.00
Current Tax Provision (A)	235.20	1347.54
Incremental deferred Tax liability on account of depreciation on property, Plant and Equipment and Intangible Assets	(3.86)	85.40
Incremental deferred Tax liability / (Asset) on account of financial asset and other items	209.63	(80.35)
Deferred Tax Provision (B)	205.78	5.05
Taxes in respect of earlier years (C)	(1.07)	118.91
Tax Expense recognised in statement of profit and loss (A+B+C)	439.91	1471.49

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

	(Rs. in Lakhs)			
	Opening Balance as on 01/04/2023	Recognised in P & L	Recognised in OCI	Closing Balance as on 31/03/2024
(iv) Movement of Deferred Tax				
Tax effect of Items Constituting Deferred Tax Liabilities:				
Unrealised Gain on MF Investments	141.17	209.63	0.00	350.80
Total Deferred Tax Liabilities	141.17	209.63	0.00	350.80
Tax effect of Items Constituting Deferred Tax Assets:				
Property Plant and Equipments	2.79	(2.65)	0.00	0.14
Employees Benefits	0.00	0.00	0.00	0.00
Revaluation of Investments	0.00	0.00	0.00	0.00
Effect of 43B	0.00	7.08	0.00	7.08
Effect of Lease Asset	1.34	(0.57)	0.00	0.77
Total Deferred Tax Assets	4.13	3.86	0.00	7.99
Deferred Income Tax Assets/(Liabilities) after Set Off	(137.04)	(205.78)	0.00	(342.82)

	(Rs. in Lakhs)	
	As at 31 st March, 2024	As at 31 st March, 2023
Note: 9 Inventories (at lower of cost and net realisable value)		
Stock in trade	1404.70	0.00
Total	1404.70	0.00

	(Rs. in Lakhs)	
	As at 31 st March, 2024	As at 31 st March, 2023
Note: 10 Cash and Cash Equivalents		
Cash on Hand	0.85	2.73
Balances with Banks in Current Accounts	86.28	61.06
Fixed Deposits with Banks (maturity in less than 3 months)	2.84	0.84
Total	89.97	64.63

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

(Rs. in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
Note: 11 Equity Share Capital		
Authorised Share Capital *		
84,00,00,000 (75,00,00,000) Equity Shares of Rs.1/- each	8400.00	7500.00
Total	8400.00	7500.00
Issued, Subscribed and Paid up **		
22,20,64,440 (22,20,64,440) Equity Shares of Rs. 1/- each fully paid up	2220.64	2220.64
Total	2220.64	2220.64

*During the Previous Year, Upon scheme being effective and on reclassification of capital of Vareli Trading Company Limited (The Transferor Company), the Authorized Share Capital of the Company stands increased to Rs. 84,00,00,000/- divided into 84,00,00,000 number of Equity Shares of Rs. 1/- each fully paid-up

** 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

- i. 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.
- ii. 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 st March, 2024		As at 31 st March, 2023		% Change during the year
	No. of Shares	% to total shares	No. of Shares	% to total shares	
Mr. Alok Praful Shah	54960680	24.75	54960680	24.75	0.00
Mr. Praful A. Shah (Individual)	37189142	16.75	37189142	16.75	0.00
Mr. Suhail Praful Shah	21652056	9.75	21652056	9.75	0.00
Mrs. Shilpa Praful Shah	21652056	9.75	21652056	9.75	0.00

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

11.03 Details of shares held by the promoters

Name of the Promoter	As at 31 st March, 2024		As at 31 st March, 2023		% Change during the year
	No. of Shares	% to total shares	No. of Shares	% to total shares	
Mr. Alok Praful Shah #	54960680	24.75	54960680	24.75	0.00
Mr. Praful A. Shah (Individual)#	37189142	16.75	37189142	16.75	0.00
Mr. Suhail Praful Shah	21652056	9.75	21652056	9.75	0.00
Mrs. Shilpa Praful Shah	21652506	9.75	21652506	9.75	0.00
Mr. Praful Amichand Shah (HUF)	10000971	4.50	10000971	4.50	0.00
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
	152004917	68.45	152004917	68.45	

*During the Previous Year, Consequent to the amalgamation of Vareli Trading Company Limited (VTCL) the transferor Company with Surat Textile Mills Limited (STML) the transferee Company, the shares held by VTCL stands cancelled and equivalent number of shares have been issued to the shareholders of VTCL, viz., Mr. Alok Praful Shah, Mr. Praful A. Shah (Individual), Mr. Suhail Praful Shah, Mrs. Shilpa Praful Shah, Mr. Praful Amichand Shah (HUF), Deepika A. Shah and Alok P. Shah (HUF), pursuant to merger of Vareli Trading Company Limited with the Company vide NCLT Order dated 7th September, 2022.

Further, during the previous year, Mr. Praful A. Shah transferred 33309666 number of equity shares of Rs. 1 each fully paid up to Mr. Alok P. Shah through inter se transfer by way of gift in compliance with the provisions of SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 2011 [‘SEBI Takeover Regulations’].

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 as fully paid up pursuant to contracts without payment being received in cash, except the 77580026 numbers of equity shares issued to the shareholders of Vareli Trading Company Limited (The Transferor Company) pursuant to merger of Vareli Trading Company Limited with the Company vide NCLT Order dated 7th September, 2022.
- ii) Allotted as fully paid shares by way of bonus shares.
- iii) Bought back.

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

(Rs. in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
Note: 12 Other Equity#		
Retained Earnings		
Balance as per last Balance Sheet	17370.25	11128.47
Add: Profit/(Loss) for the Year	907.36	6241.98
Add: On Amalgamation of Vareli Trading Company Limited	0.00	(0.20)
	18277.61	17370.25
Other Comprehensive Income		
Balance as per last Balance Sheet	27.68	28.62
Add: OCI for the year	(1.11)	(0.94)
Less: Transfer to retained earnings	0.00	0.00
	26.57	27.68
Capital Reserve		
Balance as per last Balance Sheet	(6.90)	(6.90)
Add: On Amalgamation of Vareli Trading Company Limited	0.00	0.00
Less: Transfer to retained earnings	0.00	0.00
	(6.90)	(6.90)
Total	18297.28	17391.03

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.

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. Based on this on derecognition by way of extinguishment of equity shares of GSML has not been reclassified to Statement of Profit and Loss and cumulative impact given to OCI reserve in previous years has been transferred to accumulated surplus.
- iii) **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 has 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.



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

(Rs. in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
Note: 13 Lease Liabilities*		
Non-Current		
Lease Liabilities - Building	169.53	0.00
Current		
Lease Liabilities - Building	10.59	18.13
Total	180.12	18.13

* Refer Note 32

(Rs. in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
Note: 14 Provisions*		
Non-Current		
Provisions for Employee Benefits	22.56	19.34
Current		
Provisions for Employee Benefits	9.69	5.92
Total	32.25	25.26

* Refer Annexure 1 of Note 23

(Rs. in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
Note: 15 Non-Current Tax Liabilities		
Deferred Tax Liabilities	342.82	137.04
Total	342.82	137.04

(Rs. in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
Note: 16 Trade Payables		
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 #	33.67	19.68
Total	33.67	19.68

*Information in Respect of Micro, Small and Medium Enterprises as at 31st March, 2024 as disclosure requirement under MSMED act, 2006 are applicable.

Refer Note 36.02 for Amount payable to Related Parties.



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

(Rs. in Lakhs)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
(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.	Nil	Nil

Trade Payables ageing Schedule as at 31st 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

Trade Payables ageing Schedule as at 31st March, 2023

(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	19.68	0.00	0.00	0.00	19.68
(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



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

(Rs. in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
Note: 17 Other Financial Liabilities		
Non Current		
Payable - Deposits (Refer Note 36.02)	5.00	5.00
	5.00	5.00
Current		
Payable - Employees Benefit Expenses	18.88	16.42
Payable - Expenses	13.23	19.96
	32.11	36.38
Total	37.11	41.38

(Rs. in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
Note: 18 Other Current Liabilities		
Advances against Sale of Assets	6.25	0.00
Goods and Services Tax	1.34	1.22
Payable - Expenses	1.94	1.67
Payable - TDS	6.18	4.51
Total	15.71	7.40

(Rs. in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
Note: 19 Revenue from Operations		
Sale of Products	5968.46	2531.13
- Traded Goods		
Other Operating Revenue		
- Profit (Loss) on Commodity MTM	87.82	(35.27)
- Others	0.09	1.82
Total	6056.37	2497.68



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

	(Rs. in Lakhs)	
	2023-24	2022-23
Note: 20 Other Income		
Interest Income		
Bank Deposits	0.04	0.92
Investments in Bonds (At Amortized Cost)	90.45	145.58
Investments in Alternate Investment Fund (At Amortized Cost)	402.34	228.05
On Loans and Advances	51.21	32.16
On Income Tax Refund	0.00	5.08
Other Non-Operating Income		
Unrealised gain on Current Investments (FVTPL)	1096.12	473.54
Profit on Sale of Current Investments	257.34	35.25
Profit on Sale of Shopping Complex	0.00	43.16
Profit on Sale of Fixed Assets	20.56	0.17
Capital Gain on AIF	27.81	1.25
Miscellaneous Receipts	0.12	0.03
Total	1945.99	965.19

	(Rs. in Lakhs)	
	2023-24	2022-23
Note: 21 Purchase of Stock-In-Trade		
Purchases	7433.91	2478.03
Cost of Goods Sold - Paintings	7.64	0.00
Total	7441.55	2478.03

	(Rs. in Lakhs)	
	2023-24	2022-23
Note: 22 Changes in Inventories of Finished Goods,		
Work-in-Progress and Stock-in-Trade		
Opening Stock		
Stock-in-trade	0.00	0.00
	0.00	0.00
Less: Closing Stock		
Stock-in-trade	1404.70	0.00
	1404.70	0.00
Total	(1404.70)	0.00

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

	(Rs. in Lakhs)	
	2023-24	2022-23
Note: 23 Employee Benefits Expense		
Salaries and Wages	155.67	163.31
Contribution to Provident and Other Funds	10.59	9.26
Gratuity	4.27	3.34
Staff Welfare Expenses	16.71	13.59
Total	187.24	189.50

(a) Defined Contribution Plan:

The Company has Recognized Rs.7.32 Lakhs for Provident Fund contribution in the Statement of Profit and Loss for the year ended March 31, 2024 (Previous Year Rs.6.08 Lakhs)

(b) Defined Benefit Plan:

The present value of obligation is determined based on actuarial valuation.

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	
	31/03/2024 (12 months)	31/03/2023 (12 months)	31/03/2024 (12 months)	31/03/2023 (12 months)
Present value of unfunded obligations	17.18	11.80	15.07	13.45
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
Net Liability (Asset)	17.18	11.80	15.07	13.45

Bifurcation of liability as per schedule III (Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2024 (12 months)	31/03/2023 (12 months)	31/03/2024 (12 months)	31/03/2023 (12 months)
Current Liability*	3.97	0.22	5.72	5.70
Non-Current Liability	13.21	11.58	9.35	7.75
Net Liability	17.18	11.80	15.07	13.45

* The current liability is calculated as expected benefits for the next 12 months.

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

Annexure 2 : Profit and Loss account for the current period (Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2024 (12 months)	31/03/2023 (12 months)	31/03/2024 (12 months)	31/03/2023 (12 months)
Service cost:				
Current service cost	3.41	2.18	3.83	13.91
Past service cost and loss/(gain) on curtailments and settlement	0.00	0.00	0.00	0.00
Net interest cost	0.86	1.16	0.78	0.81
Net value of remeasurements on the obligation and plan assets	0.00	0.00	(0.95)	(0.46)
Total included in 'Employee Benefit Expense'	4.27	3.34	3.65	9.73
Total Charge to Profit and Loss	4.27	3.34	3.65	9.73

Components of actuarial gain/losses on obligation (Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2024 (12 months)	31/03/2023 (12 months)	31/03/2024 (12 months)	31/03/2023 (12 months)
Due to Change in financial assumptions	0.16	(0.68)	0.07	(0.36)
Due to change in demographic assumption	0.00	0.00	0.00	0.00
Due to experience adjustments	0.95	1.62	(1.02)	(0.10)
Return on plan assets excluding amounts included in interest income	0.00	0.00	0.00	0.00
Amounts recognized in Other Comprehensive Income	1.11	0.94	(0.95)	(0.46)

Annexure 3: Reconciliation of defined benefit obligation (Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2024 (12 months)	31/03/2023 (12 months)	31/03/2024 (12 months)	31/03/2023 (12 months)
Opening Defined Benefit Obligation	11.80	25.10	13.45	17.60
Transfer in/(out) obligation	0.00	0.00	0.00	0.00
Current service cost	3.41	2.18	3.83	13.91
Interest cost	0.86	1.16	0.78	0.81
Components of actuarial (gain)/losses on obligations:				
Due to Change in financial assumptions	0.16	(0.68)	0.07	(0.36)
Due to change in demographic assumption	0.00	0.00	0.00	0.00
Due to experience adjustments	0.95	1.62	(1.02)	(0.09)
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	(17.59)	(2.04)	(18.40)
Closing Defined Benefit Obligation	17.18	11.80	15.07	13.45

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

Annexure 4: Reconciliation of net defined benefit liability

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2024 (12 months)	31/03/2023 (12 months)	31/03/2024 (12 months)	31/03/2023 (12 months)
Net opening provision in books of accounts	11.80	25.10	13.45	17.60
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	4.27	3.34	3.65	14.26
Amounts recognized in Other Comprehensive (Income)	1.11	0.94	0.00	0.00
Total	17.18	29.38	17.11	31.86
Benefits paid by the Company	0.00	(17.59)	(2.04)	(18.40)
Contributions to plan assets	0.00	0.00	0.00	0.00
Closing provision in books of accounts	17.18	11.80	15.07	13.45

Annexure 5: Principle actuarial assumptions

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2024 (12 months)	31/03/2023 (12 months)	31/03/2024 (12 months)	31/03/2023 (12 months)
Discount Rate	7.15% p.a.	7.35% p.a.	7.15% p.a.	7.35% 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.

Annexure 6: Maturity Profile of Defined Benefit Obligation

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	Cash flows	%	Cash flows	%
Year 1	3.97	16.50%	5.72	31.70%
Year 2	1.56	6.50%	5.12	28.40%
Year 3	1.83	7.60%	2.33	12.90%
Year 4	1.59	6.60%	1.42	7.90%
Year 5	1.43	5.90%	0.21	1.20%
Year 6 to Year 10	3.07	12.70%	1.62	9.00%

The future accrual is not considered in arriving at the above cash-flows.

The Expected contribution for the next year is Rs. 3.97 Lakhs.

The Weighted Average Duration (Years) as at valuation date is 4.73 years.

Notes annexed to and forming part of the Financial Statements (Contd.)
Annexure 7: Sensitivity to key assumptions

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2024 (12 months)	31/03/2023 (12 months)	31/03/2024 (12 months)	31/03/2023 (12 months)
Discount rate Sensitivity				
Increase by 0.5%	16.78	11.46	14.90	13.27
(% change)	2.31%	-2.83%	1.11%	-1.35%
Decrease by 0.5%	17.59	12.15	15.24	13.64
(% change)	2.43%	2.98%	1.15%	1.40%
Salary growth rate Sensitivity				
Increase by 0.5%	17.59	12.15	15.24	13.64
(% change)	2.38%	2.96%	1.14%	1.39%
Decrease by 0.5%	16.78	11.46	14.90	13.27
(% change)	-2.28%	-2.84%	-1.12%	-1.36%
Withdrawal rate (W.R.) Sensitivity				
W.R. x 110%	17.17	11.82	15.07	13.46
(% change)	-0.02%	0.20%	0.03%	0.04%
W.R. x 90%	17.18	11.80	15.06	13.45
(% change)	2.00%	4.00%	-0.03%	-0.04%

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.

(Rs. in Lakhs)

	2023-24	2022-23
Note: 24 Finance Costs		
Interest on Lease Liabilities*	4.71	3.03
Other Financial Charges	0.29	0.43
Total	5.00	3.46

* Refer Note 32

(Rs. in Lakhs)

	2023-24	2022-23
Note: 25 Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	13.59	18.13
Depreciation on Right to Use Assets*	18.46	22.87
Amortisation of Intangible Assets	0.39	0.34
Total	32.44	41.34

* Refer Note 32

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

	(Rs. in Lakhs)	
	2023-24	2022-23
Note: 26 Other Expenses		
Trading Expenses		
Brokerage Expense	5.72	3.38
Rent - Other Vault	3.80	0.00
Stamp Duty Charges	0.00	0.15
	9.52	3.53
Administrative and General Expenses		
Power and Fuel	4.28	3.07
Factory Expenses	5.30	4.08
Repairs and Maintenance - Others	25.60	17.38
General Charges	96.01	131.58
Legal and Professional Charges	151.37	126.90
Rent	69.38	65.70
Insurance	7.61	8.83
Rates and Taxes	10.83	8.64
Auditors' Remuneration (Refer Note 26.01)	13.66	6.65
	384.04	372.83
Total	393.56	376.36

	(Rs. in Lakhs)	
	2023-24	2022-23
26.01 Payment to Auditors:		
Statutory Audit Fees	5.89	2.25
Limited review	3.75	3.51
Certification Fees	3.91	0.00
Reimbursement of out of Pocket Expenses	0.11	0.89
	13.66	6.65

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. 2023-24, the provisions of Section 135 (1) of the Companies Act, 2013 were not applicable since the Company is not falling under the criteria as prescribed with respect to net worth or turnover or net profit during the immediately preceding financial year. Hence, no amount has been spent by the Company during the Financial year 2024 (Previous year: Rs. Nil Lakhs) towards the CSR activities.

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

- (c) Actual amount spent by the company during the year is Rs. NIL (Previous year Rs. NIL Lakhs) towards Social welfare and Education Programmes.

	(Rs. in Lakhs)	
The amounts expended are as follows:	2023- 24	2022-23
i) Construction / acquisition of any asset	0.00	0.00
ii) for purposes other than (i) above	0.00	0.00
(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;	N.A	N.A
(iv) The nature of CSR activities undertaken by the Company.	N.A	N.A

	(Rs. in Lakhs)	
	2023-24	2022-23
Note: 27 Other Comprehensive Income		
Items that will not be Reclassified to Profit or (Loss)		
(i) Changes in Revaluation Surplus:		
Actuarial Gain/(Loss) on Gratuity	(1.11)	(0.94)
Actuarial Gain/(Loss) on Leave Encashment	0.00	0.00
Gain/(Loss) on Revaluation of Investments	0.00	0.00
	(1.11)	(0.94)
(ii) Income tax relating to items that will not be reclassified to Profit or (Loss)		
Deferred Tax	0.00	0.00
Total	(1.11)	(0.94)

	(Rs. in Lakhs)	
	2023-24	2022-23
Note: 28 Earning Per Share		
(a) Net Profit attributable to shareholders from Continuing Operations (Rs. in Lakhs)	907.36	303.77
(b) Net Profit attributable to shareholders from Discontinued Operations (Rs. in Lakhs)	0.00	5938.21
(c) Weighted average number of Equity Shares outstanding (nos. in Lakhs)	2220.64	2220.64
(d) Basic and Diluted Earnings per share (Rs.) from Continuing Operations (A/C)	0.41	0.14
(e) Basic and Diluted Earnings per share (Rs.) from Discontinued Operations (B/C)	0	2.67

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

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 st March, 2024	31 st March, 2023
Total Debt (Rs.in Lakhs)	0.00	0.00
Total Equity (Rs.in Lakhs)	20517.92	19611.67
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.

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31st March, 2024 and 31st March, 2023:

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024				As at 31 st March, 2023			
	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
Financial Assets								
At Amortised Cost								
(i) Investments	6067.20	500.29	5566.91		4695.39	1450.91	3244.48	
(ii) Trade receivables	0.00				0.00			
(iii) Cash and cash equivalents	89.97				64.63			
(iv) Bank balances other than (iii) above	0.00				0.00			
(v) Loans and Advances	505.93				703.95			
(vi) Others financial assets	138.24				139.75			
At FVTPL								
(i) Investments	7481.83	7481.83			9083.74	9083.74		
(ii) Others financial assets	0.00				0.00			
At FVTOCI								
(i) Investments	0.00				0.00			
(ii) Others financial assets	0.00				0.00			
Financial Liability								
At Amortised Cost								
(i) Borrowings	0.00				0.00			
(ii) Trade Payables	33.67			33.67	19.68			19.68
(iii) Other financial liabilities	32.11			32.11	36.38			36.38
At FVTPL								
(i) Other financial liabilities	0.00				0.00			
At FVTOCI								
(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.

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

Following is the summary of undrawn borrowing facilities that the company has at its disposal to further reduce liquidity risk:

Particulars	(Rs. in Lakhs)	
	31 st March, 2024	31 st March, 2023
Working Capital Loan		
Amount Used	0.00	0.00
Amount Unused	0.00	0.00

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.

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

Note: 32 Leases:

The Company has elected below practical expedients on transition to Ind AS 116:

- a) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- b) 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.
- c) Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.
- d) 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.

- e) 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.
- f) 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 st March, 2024	As at 31 st March, 2023
Opening Balance	18.13	44.60
Additions during FY 2023-24	186.78	-
Deletion during the year	22.84	-
Finance costs incurred during the year	4.71	3.03
Payments of Lease Liabilities	6.66	29.50
Balance as at 31st March, 2024	180.12	18.13

(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 during the year is Rs. 287.44 Lakhs and previous year is Rs. 104.82 Lakhs and depreciation charged thereon during the year of Rs 18.46 Lakhs. (Previous year is Rs.22.87 Lakhs)

Refer note -1 "Property, Plant & Equipments & Intangible Assets".

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

(iii) Maturity analysis of lease liabilities

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	10.60	18.13
One to five years	86.44	(18.13)
More than five years	83.08	-
Total undiscounted Lease Liability	180.12	-
Balances of Lease Liabilities		
Non Current Lease Liability	169.53	-
Current Lease Liability	10.59	18.13
Total Lease Liability	180.12	18.13

Note: 33 Discontinued Operations:

The Company has discontinued its business of manufacturing of Polyester Chips and Partially Oriented Yarn (POY) at Jolwa Location and Sold the Assets of it.

(Rs. in Lakhs)

	2023-24	2022-23
1 Income:		
(a) Revenue from Operations	0.00	93.02
(b) Other Income	0.00	7423.90
Total Income	0.00	7516.92
2 Expenses:		
(a) Cost of Materials Consumed	0.00	0.00
(b) Purchases of Stock-In-Trade	0.00	96.35
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	0.00	0.00
(d) Employee Benefits Expense	0.00	1.96
(e) Finance Costs	0.00	0.00
(f) Depreciation and Amortisation Expense	0.00	0.00
(g) Other Expenses	0.00	79.32
Total Expenses	0.00	177.63
3 Profit / (Loss) before tax (1-2)	0.00	7339.29
4 Tax Expenses		
(a) Current tax	0.00	1282.17
(b) Taxes in Respect of Earlier Years	0.00	118.91
5 Profit / (Loss) for the year(3-4)	0.00	5938.21
6 Other Comprehensive Income / (Loss)	0.00	0.00
7 Total Comprehensive Income / (Loss) for the year(5+6)	0.00	5938.21

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

Note: 34 Ratio Analysis:

Only Continuing Operation Activity Figures are considered for making of Financial Ratios

Ratios	Numerator	Denominator	31 st March, 2024	31 st March, 2023	% Variance	Reason for Variance*
(a) Current Ratio	Current Assets	Current Liabilities	98.71	128.38	-23.11%	Decrease in Current Investments
(b) Debt Service Coverage Ratio	Net profit after taxes + Exception items + Noncash operating expenses (depreciation) + Finance costs + Other adjustments	Total Debt (Non-current borrowings + Current Borrowings + Finance Lease Liability)	31.19	11.65	167.82%	Increase in Net Profit
(c) Return on Equity Ratio	Net Profit after taxes	Average Shareholder's Equity	4.52%	2.20%	105.01%	Better Returns on Investments
(d) Net profit Ratio	Net Profit after taxes	Sale of Products	14.98%	12.16%	23.19%	Increase in Net Profit
(e) Return on Capital Employed	Earnings before interest and taxes (Loss before taxes + Finance costs)	Capital employed (Tangible Net worth + Total Debt)	6.64%	2.12%	212.88%	Better Returns on Investments
(f) Return on Investment	Income on Investment	Cost of Investment	15.47%	6.64%	132.91%	Financial markets Effected due to High Interest Rates/Inflation
(g) Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	8.60	0.00	100.00%	Inventory held for Gains

* Reasons for Variance are only provide for the change in the ratio by more than 25% as compared to the ratio of Preceding year.

Note: Debt- Equity Ratio, Inventory Turnover 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 Receivables and Trade Payables.

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

Note: 35 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	2023-24	2022-23
Within India	6056.28	2495.86
Outside India	0.00	0.00
Total	6056.28	2495.86

The Revenue from customers which is more than 10% of companies total revenue:

- 1 Jyotirmay Jewels Private Limited
- 2 Capri Global Holdings Private Limited
- 3 Aprn Enterprises Private Limited
- 4 Edelweiss Mutual Fund

Note: 36 As per Regulation Ind AS 24, the disclosures of transactions with the related party are given below:

36.01 List of related parties where controls exists and Relationships:

Sr. No.	Name of Related Party	Nature of Relationship
1	Mr. Alok P. Shah- Managing Director Mr. Suhail P. Shah - Wholetime Director** Mr. Paresh V. Chothani - Wholetime Director Mr. Deepak N. Shah - Non Executive Director Mr. Harishchandra B. Bharucha - Non Executive Director* Mr. Ketan A. Jariwala - Non Executive Director Ms. Kruti G. Kothari - Non Executive Director Mr. Chandresh S. Punjabi - CFO Ms. Mahek Gaurav Jaju - Company Secretary	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. 31/03/2024 on Completion of his Term as a Director

** Appointed w.e.f. 01/09/2023.

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

36.02 Transactions During the year with Related Parties:

(Rs. in Lakhs)				
Sr. No.	Name and Nature of Transactions of Related Parties	Relationship	2023-24	2022-23
1	Leave & Licence Fees & Reimbursement of Expenses			
	Sorrento Textiles Private Limited	Group Company	82.76	82.32
2	Payment to Key Managerial Personnel and their Relatives*			
	Mr. Alok P. Shah	KMP	4.80	0.00
	Mr. Suhail P. Shah	KMP	1.75	0.00
	Mr. Paresh V. Chothani	KMP	14.52	12.55
	Mr. Deepak N. Shah	KMP	2.05	1.23
	Mr. Harishchandra B. Bharucha	KMP	2.05	2.70
	Mr. Ketan A. Jariwala	KMP	2.05	2.70
	Ms. Kruti G. Kothari	KMP	1.45	2.28
	Mr. Chandresh S. Punjabi	KMP	21.44	17.59
	Mr. Chinmay M. Methiwala	KMP	0.00	3.78
	Ms. Mahek Gaurav Jaju	KMP	5.54	0.10
	Mr. Manikant R. Momaya	KMP	0.00	2.51
	Mr. Yogesh C. Papaiya	KMP	0.00	41.07
3	Receipt from Key Managerial Personnel**			
	Mr. Chandresh S. Punjabi	KMP	0.00	4.50
	Balance as at 31 st March, 2024			
	Sorrento Textiles Private Limited	Group Company		
	Trade Creditors		7.48	7.51

*Payment to Key Managerial Personnel and their Relatives are Short-term benefits.

** Deposit under Employees Car Scheme.



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

Note: 37

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31st March, 2024.

Note: 38

Contribution to Political parties during the year 2023-24 is Rs.Nil (Previous Year Rs.Nil).

Note: 39

The Company has No borrowings from banks or financial institutions on the basis of security of current assets.

Note: 40

Hon'ble National Company Law Tribunal ('NCLT'), Ahmedabad Bench had vide its order dated 7th September, 2022 (Ref.: CP (CAA) No. 61 / AHM / 2021 in CA (CAA) No. 58 / AHM / 2021), under Sections 230-232 and read with Section 66 of the Companies Act, 2013 and other applicable provisions of the companies Act, 2013 read with the Companies (Compromise, Arrangement and Amalgamations) Rules, 2016 has approved the Scheme of Amalgamation of Vareli Trading Company Limited (VTCL) (Transferor Company""") with Surat Textile Mills Limited (STML) (""Transferee Company""") and their respective shareholders and creditors. Pursuant to the order, the appointed date of the scheme is fixed at April 01, 2019 and the scheme has become effective from September 26, 2022 i.e., the day on which the certified copy of the order was filed with the Registrar of Companies by both Companies.

The amalgamation has been accounted by applying ""Pooling of Interest Method"" as set out in Appendix C of IND AS 103 ""Business Combinations"" by combining the assets, liabilities and reserves of the VTCL at their carrying amounts with only such adjustments which are required to harmonize the accounting policies.

Accordingly, the Company has prepared its financial statements for the year ended March 31, 2023 after giving effect to the aforesaid Scheme for the period from April 01, 2022 to September 26, 2022 of Rs. (0.20) lakhs (net) have been given in current reporting period and corresponding figures for the previous year ended March 31, 2022 have been restated to give effect to the Scheme with effect from April 01, 2019. The said effects are based on the special purpose financial statements audited by the auditors of transferor company. The difference between the net identifiable assets acquired and consideration paid on merger has been accounted for as Capital reserve amounting to Rs (6.90) Lakhs. On the Scheme becoming effective and with effect from the Appointed Date:

- a) The Board of Directors of the Company at its meeting held on 30th September, 2022 took note of the order dated 7th September, 2022 of Hon'ble NCLT Ahmedabad bench in the matter of Scheme of Amalgamation of VTCL with STML. At the said meeting the Board of Directors approved the allotment of equity shares of face value of Rs. 1/- (Rupee one) each credited as fully paid up of STML in the ratio of 521 equity shares of the face value Rs. 1/- (Rupee one) each of STML for every 1 equity share of Rs. 10/- (Rupees 10) of VTCL credited as fully paid up held on the record date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in VTCL (the ""New Equity Shares"").
- b) On the amalgamation of VTCL with STML, all the investment (including 7,75,80,026 number of the equity shares of STML), being held by VTCL, stands cancelled off and the same shall amount to Reduction of Share Capital of STML to that extent". Accordingly, the issued, subscribed and paid-up share capital of STML stands reduced from Rs. 22,20,64,440/- to Rs. 14,44,84,414/-. However, considering the issue of 7,75,80,026 equity shares to the shareholders of VTCL (the transferor company) in the exchange ratio as approved under the Scheme under Clause 18(vi) of NCLT Order, there will not be any net reduction in the Issued, Subscribed and Paid-up share capital of STML and the issued subscribed and paid-up share capital of STML will remain unchanged at Rs. 22,20,64,440/-.



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

Note: 41 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 Consolidated 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 34.
- v. The Company has not advanced or given loan 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 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

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.



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

Note: 42 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 Group 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: 43

As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2023, every company which uses accounting software for maintaining its books of account, shall 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 account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The interpretation and guidance on what level edit log and audit trail needs to be maintained evolved during the year and continues to evolve.

The Company has used 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.

Note: 44

Figures for the previous year have been regrouped/reclassified/restated wherever necessary.

Note: 45

The financial statements are approved for issue by the Company's Board of Directors on 24th May, 2024.

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, 24th May, 2024



The logo consists of the letters 'S', 'T', and 'M' in a light blue, serif font. The 'T' is positioned above the 'S' and 'M', and is significantly larger than the other two letters. The 'S' and 'M' are positioned below the 'T' and are of similar size to each other.

SURAT TRADE AND MERCANTILE LIMITED