

November 24, 2020

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

Sub: Press Release

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Sir/Madam,

With reference to the subject, we enclose herewith press release regarding realisation of Rs. 18.50 crore from dilution of non-core assets under compulsory acquisition by Government of India for Vadodara Mumbai Express Highway and comments on performance for quarter and half year ended on 30.09.2020.

This is for your information and records.

Thanking you,

Yours faithfully,
For Shahlon Silk Industries Limited



Hitesh Garmora
Company Secretary

Press Release

**Non-core assets dilution to reduce debt Shahlon Silk Industries
EBITDA margins improved to 14.4% during Q2FY21**

Surat, November 24, 2020: Shahlon Silk Industries, a leading textile player, has realised Rs. 18.50 crore from dilution of non-core asset, a land admeasuring 22619 sq. mtrs. under compulsory acquisition by Government of India for Vadodara Mumbai Express Highway. The proceeds would be used to reduce debt to the tune of Rs. 12.50 crore and the remaining Rs. 6 crore would be used for working capital - strengthening the balance sheet.

The Company declared it's Q2FY21 Results, Highlights are as under:

Revenue from operations was at Rs 39.59 crore, against Rs 10.4 Cr in Q1FY21 Quarter.

EBITDA has increased to Rs 5.70 crore, against Loss of Rs 0.30 Cr in Q1FY21.

EBITDA % improved on a YoY basis from 11.2% to 14.4% due to better realisations and overall improvement in the demand scenario.

Net Profit was at Rs 0.39 crore against Loss of Rs 6.1Cr in Q1FY21.

Commenting on the Results and sale of non-core assets, Mr. Dhirajlal Raichand Shah, Chairman, said "We are witnessing strong recovery in sales because of overall improvement in retail and e-commerce sales. The Company is witnessing an improvement in demand as the markets continue to recover from the slowdown caused by the pandemic. Moreover, our exports are back to 75% level of its pre-covid level and expected to be normalized soon. Furthermore, Dilution of non-core asset has enhanced cash flows of the company to the tune of Rs. 18.50 crore.

The performance in the first half of this year had been subdued owing to the lockdowns imposed by the government, but we are witnessing very good revival in demand in the second half.

There is a strong and steady flow of orders and we expect it to continue through the entire second half of the year and further."

He further added that, "The recent PLI Scheme (Production Linked Incentive) announced by the Government is a major step in the positive direction and our Company being one of the leading MMF & Technical Textile player stands to gain from the scheme as it provides incentives for manufacture and export of specific textile products."

About the Company: Shahlon Silk Industries Limited is engaged in manufacturing and exporting of supreme quality fabrics and synthetic textile yarn across the world. Headquartered in Surat, SSIL has state of art facilities in and around Surat, the textile hub of India. The Company has expanded from being a yarn marketing agency to texturizing, twisting, sizing, yarn dyeing, weaving, finish fabrics and industrial infrastructure fabric player in the country. The Company has three manufacturing units in Gujarat located at Kim, Karanj, and Kosamba. The Company is leading player in fabric used in women's wear like sarees and garments.