ANNUAL REPORT 2025-26

SURAT TRADE AND MERCANTILE LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Alok P. Shah (DIN: 00218180)
Managing Director
Suhail P. Shah (DIN: 00719002)
Wholetime Director
Paresh V. Chothani (DIN: 00218632)
Wholetime Director
Kruti Kothari (DIN: 08502921)
Woman Independent Director
Deepak N. Shah (DIN: 07356807)
Independent Director
Manish J. Gandhi (DIN: 10671306)
Independent Director

CHIEF FINANCIAL OFFICER

Chandresh S. Punjabi

COMPANY SECRETARY

Mahej Gaurav Jaju*
**Upto 30th April, 2026*
Ankita Prasiddha Shroff**
***Appointed with effect from 26th May, 2026*

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

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,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy, 500032.
State: Telengana, India.
Email: einward.ris@kfintech.com
Toll Free No. 1-800-309-4001

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("Surat Trade and Mercantile Limited")

80th Annual General Meeting on Tuesday, 22nd September 2026 at 3:30 P.M. IST through Video Conferencing ('VC') / Other Audio - Visual Means ('OAVM') facility

NOTICE

Notice is hereby given that the 80th Annual General Meeting (AGM) of the Company will be held on Tuesday, 22nd September, 2026, at 03:30 P.M. (IST) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) deemed to be held at the registered office of the Company to transact the following business:

ORDINARY BUSINESS:

Item No. 1: Adoption of Audited Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2026, the Report of the Board of Directors and Auditor thereon.

To consider and, if thought fit, to pass with or without modifications the following Resolution as an **Ordinary Resolution.**

"RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended March 31, 2026, and the reports of the Board of Directors and Statutory Auditors thereon, as circulated to the Members, are hereby considered and adopted."

Item No. 2: Re-appointment of a Director retires by rotation

To appoint a director in place of Mr. Alok P. Shah (DIN: 00218180), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

To consider and, if thought fit, to pass with or without modifications the following Resolution as an **Ordinary Resolution.**

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Alok P. Shah (DIN: 00218180), who retires by rotation and, being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

Item No. 3: Re-appointment of Independent Director

To re-appoint Mr. Deepak N. Shah (DIN: 07356807) as an Independent Director for a second term of five consecutive years.

To consider and, if thought fit, to pass with or without modifications the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 17, 25(2A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Deepak N. Shah (DIN: 07356807), who has submitted a declaration confirming that he meets the criteria of independence as prescribed under the Act and the Listing Regulations and is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years with effect from 11th August, 2027 up to 10th August, 2032 (both days inclusive).

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such documents and writings as may be considered necessary, proper or expedient for giving effect to this Resolution."

By order of the Board of Directors
For and on behalf of
SURAT TRADE AND MERCANTILE LIMITED

Sd/-
Ankita Prasiddha Shroff
Company Secretary & Compliance Officer
Membership Number: A36425

Place: Surat
Date: 12th August, 2026.

REGISTERED OFFICE

6th Floor, Tulsi Krupa Arcade, Near Aai Mata Chowk,
Puna Kumbharia Road, Dumbhal, Surat - 395010

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, as amended ("Act"), setting out the material facts concerning the business under Item No. 3 forms part of this Notice. Further, the relevant details, as required under Regulation 36 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of (i) the Director retiring by rotation under Item No. 2; and (ii) the Director seeking re-appointment under Item No. 3 are set out in **Annexure A** to this Notice.

2. The Ministry of Corporate Affairs (**'MCA'**), *inter alia*, vide its General Circular No(s). 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being General Circular No. 03/2025 dated September 22, 2025 (collectively referred to as **'MCA Circulars'**), has permitted the holding of the AGM through Video Conferencing (**'VC'**) or through Other Audio-Visual Means (**'OAVM'**), without the physical presence of the Members at a common venue.

   Further, the Securities and Exchange Board of India (**'SEBI'**) vide its Circular(s) dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 6, 2023, October 7, 2023, October 3, 2024 and June 5, 2025 (**'SEBI Circulars'**) and other applicable circulars issued in this regard, has provided relaxations from compliance with certain provisions of the SEBI Listing Regulations.

   In compliance with the applicable provisions of the Act, SEBI Listing Regulations, MCA Circulars and SEBI Circulars, the 80th AGM of the Company is being held through VC/OAVM on **Tuesday, 22nd September, 2026, at 03:30 P.M. (IST)**. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company situated at 6th Floor, Tulsi Krupa Arcade, Near Aai Mata Chowk Puna-Kumbharia Road, Dumbhal, Surat - 395010.

   Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned certified copy (PDF/JPG Format) of their Board or governing body's Resolution/Authorisation, authorising their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting, to the Scrutiniser through e-mail at csjigarvyas@gmail.com with a copy marked to evoting@kfintech.com and to the Company at sharedepartment@stml.in

3. Since this AGM is being held pursuant to the MCA circulars read with the SEBI Circulars, through VC/ OAVM, physical attendance of members has been dispensed with. Accordingly, the facility to appoint proxy to attend and cast vote for the members will not be available for this AGM. Hence, the proxy form, attendance slip and route map of AGM are not annexed to this notice.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.stml.in. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of KFIN (agency for providing the Remote e-Voting facility) i.e. at https://evoting.kfintech.com/

7. In accordance with the aforesaid MCA Circulars and the SEBI Circulars, the Notice of the AGM along with the 80th Annual Report for FY 2025-26 are being sent ONLY through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrar and Transfer Agent/Depositories/ Depository Participants and a letter will be sent by

the Company providing the web-link, including the exact path where complete details of the Annual Report including the Notice of the AGM is available, to those shareholder(s) who have not registered their e-mail address with the Company/Registrar and Transfer Agent/Depositories/Depository Participants. The Company shall send physical copy of the 80th Annual Report for FY 2025-26 to those Members who request for the same at sharedepartment@stml.in or raises request with the RTA – KFIN.

8. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company at an early date through email on sharedepartment@stml.in . The same will be replied by the Company in due course.

9. SEBI vide its notification dated 8 June 2018 as amended on 30 November 2018, has stipulated that with effect from 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialized form. The Company has complied with the necessary requirements as applicable, including sending of letters to members holding shares in physical form and requesting them to dematerialize their physical holdings.

10. To comply with the above mandate, members who still hold share certificates in physical form are advised to dematerialize their shareholding to also avail of numerous benefits of dematerialization, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

11. Pursuant to SEBI Circular No.: HO/38/13/11(2)2026-MIRSD-POD/ I/3750/2026 dated January 30, 2026, a special window has been opened for a period of 1 (one) year from February 5, 2026 to February 04, 2027 for re-lodgement of transfer requests of physical shares, which were lodged prior to the deadline of April 01, 2019 and which were rejected or returned or not attended to, due to deficiency(ies) in documents or process and missed March 31, 2021 deadline. Accordingly, eligible shareholders are encouraged to re-lodge such deeds along with requisite documents within special window period to the Company's RTA i.e. Kfin Technologies Limited (Formerly Kfin Technologies Private Limited) at Selenium Tower B, Plot Nos. 31& 32, Financial District, Serilingampally Mandal, Hyderabad 500032, Email: einward.ris@kfintech.com

    Please note that shares that are re-lodge for transfer shall be processed only in demat mode and shall be under lock-in for a period of one year from the date of registration of transfer. Further, such securities shall not be transferred/lien-marked/pledged during the said lock-in period.

12. The Company's equity shares are Listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001, Maharashtra, India and ISIN of the Company is INE936A01025. The Company has paid the Annual Listing Fees to the said Stock Exchange up to 31st March, 2026.

13. The Company has availed the services of KFin Technologies Limited ("KFin") for conducting the AGM through VC/OAVM and enabling participation of shareholders at the meeting thereto and for providing services of remote e-voting.

14. Only those Members / shareholders, who will be present in the AGM through Video Conference / OAVM facility and have not cast their vote through remote e-Voting are eligible to vote in the AGM. However, members who have voted through Remote e-Voting will be eligible to attend the AGM.

15. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

16. Investor Grievance Portal maintained by Registrar and Transfer Agent (RTA).

    Members are hereby notified that our RTA, KFin Technologies Limited, based on the SEBI Circular (SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72) dated June 08, 2023, have created an online application which can be accessed at https://ris.kfintech.com/default.aspx > Investor Services > Investor Support.

    Members are required to register / signup, using the Name, PAN, Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request, Query, Complaints, check for status, KYC details, Dividend, Interest, Redemptions, eMeeting and eVoting Details.

    Quick link to access the signup page: https://kprism.kfintech.com/signup.

17. The resolutions proposed will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.

18. Electronic copy of the 'Register of Directors and Key Managerial Personnel and their Shareholding', 'Register of Contracts and Arrangements' and 'Register of Members' maintained as per the Companies Act, 2013 shall be accessible to the members.

19. 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 evoting@kfintech.com or einward.ris@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

20. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance to sharedepartment@stml.in from 9:00 AM (IST) on Friday, 28th August, 2026, till 5:00 PM (IST) on Monday, 31st August, 2026. The queries may be raised precisely and in brief to enable the Company to answer the same suitably at the meeting.

21. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI Listing Regulations, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by KFin Technologies Limited ("KFin"), formerly known as KFin Technologies Private Limited. Shareholders who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by shareholders holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice.

22. The e-voting period begins on Saturday, 19th September, 2026 at 9:00 A.M. (IST) and ends on Monday, 21st September, 2026 at 5:00 P.M. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, 15th September, 2026 ("cut-off date for e-voting"), may cast their vote electronically. The e-voting module shall be disabled by KFin Technologies Limited ("KFin"), formerly known as KFin Technologies Private Limited for voting thereafter.

23. 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.

24. Any person who acquires shares of the Company and becomes a shareholder of the Company after sending of the Notice and holding shares as of the cut-off date of e-voting, may obtain the login ID and password by sending a request to KFin Technologies Limited ("KFin"), formerly known as KFin Technologies Private Limited. However, if he/she is already registered with KFin for remote e-voting, then he/she can use his/her existing user ID and password for casting the vote.

25. The Board of Directors has appointed Mr. Jigar Vyas (FCS No. 8019, CP No.14468) of M/s. Jigar Vyas & Associates, Practicing Company Secretaries, Surat as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

26. The Scrutinizer shall after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting and shall provide a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

27. The results shall be declared forthwith by the Chairman or a person so authorised by him in writing on receipt of consolidated report from the Scrutinizer. The Results declared along with Scrutinizer's Report shall be placed to the stock exchange i.e. BSE Limited, KFin and will also be displayed on the Company's website at www.stml.in. Members may contact at E-mail Id evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications for any grievances connected with voting by electronic means.

28. Members holding shares in physical mode are: a) required to submit their Permanent Account Number (PAN) and bank account details to the Company/KFin, if not registered with the Company/KFin, as mandated by SEBI by writing to the Company at sharedepartment@stml.in or to KFinTech at einward.ris@kfintech.com along with the details of folio no., self-attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque leaf.

29. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form may file their nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent i.e. KFinTech. In respect of shares held in electric/demat form, the nomination form may be filed with the respective Depository Participant.

30. Non-Resident Indian members are requested to inform KFinTech / respective DPs, immediately of: a) Change in their residential status on return to India for permanent settlement b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

i. Members will be provided with a facility to attend the AGM through VC/OAVM platform provided by M/s KFin Technologies Limited. Members may access the same at https://emeetings.kfintech.com/ by using their e-voting login credentials. Members are requested to follow the procedure given below.

   a. Launch internet browser (chrome / firefox / safari) by typing the URL https://emeetings.kfintech.com/

   b. Enter the login credentials (i.e. user id and password for e-voting).

   c. After logging in, click on "Video Conference" option.

   d. Then click on camera icon appearing against AGM event of the Company, to attend the meeting.

ii. 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.

iii. Members may join the AGM through Laptops, Smartphones, Tablets or iPads for better experience. Further, Members will be required to use internet with a good speed to avoid any disturbance during the AGM. Members will need the latest version of Chrome, Safari, MS Edge or Mozilla Firefox.

iv. 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. Shareholders who would like to express their views/ask questions during the Meeting may log into https://emeetings.kfintech.com/ and click on "Post your Questions" may post their queries/ views/questions in the window provided by mentioning the name, demat account number/ folio number, email id, mobile number. Please note that, Members questions will be answered only, the shareholder continues to hold the shares as of cut-off date benpos. Members may post their queries from 9:00 AM (IST) on Friday, 28th August, 2026, till 5:00 PM (IST) on Monday, 31st August, 2026.

vi. Members who need technical assistance before or during the AGM, can contact Kfintech at 18003454001 (toll free) or contact Mr. Anil Dalvi on (040) 6716 1606 or write at emeetings@kfintech.com.

vii. In case of decision to allow the Q&A session in the Meeting, Members may log into https://emeetings.kfintech.com/ and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commerce from 9:00 AM (IST) on Friday, 28th August, 2026, till 5:00 PM (IST) on Monday, 31st August, 2026.

INSTRUCTIONS FOR E-VOTING DURING AGM:

i. The e-Voting "Thumb sign" on the left-hand corner of the video screen shall be activated upon instructions of the chairman during the AGM proceedings. Shareholders shall click on the same to take them to the "Instapoll" page.

ii. Members need to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

iii. Only those shareholders, who are present in the AGM and have not casted their vote through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

INSTRUCTIONS FOR E-VOTING DURING AGM:

i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI Listing Regulations and SEBI circular No. SEBI/HO/ CFD/ CMD/CIR/P/2020/242 dated 9th December, 2020, the Members are provided with the facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ["remote e-voting"] will be provided by our RTA.

ii. The Board of Directors of the Company have appointed Mr. Jigar Vyas (Membership No.: F8019 & CP No.14468) of M/s Jigar Vyas & Associates, Practicing Company Secretaries, Surat as Scrutiniser to scrutinise e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same. The Scrutiniser, after scrutinising the votes, will, not later than two (2) working days from the conclusion of the AGM, make a consolidated scrutiniser's report and submit the same to the Chairman. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company http://stml.in/ and on the website of RTA https://evoting.kfintech.com. The results shall simultaneously be communicated to the Stock Exchange i.e. BSE Limited.

iii. The remote e-voting period commences on Saturday,19th September, 2026 (9:00 am) and ends on Monday, 21st September, 2026 (5:00 pm). During this period, Shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Tuesday, 15th September, 2026, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by RTA for voting thereafter. Once the vote on a resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.

iv. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, 15th September, 2026.

v. Subject to receipt of requisite number of votes, the resolution(s) shall be deemed to be passed on the date of the AGM.

vi. **Information and instructions for remote e-voting by individual shareholders holding shares in demat mode:**

As per the circular of SEBI on e-voting facility provided by Listed Companies dated 09 December, 2020, all individual shareholders holding shares of the Company in demat mode can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. The procedure to login and access remote e-voting, as devised by the Depositories / Depository Participants, is given below:

NSDL	CDSL
1. Users already registered for IDeAS facility of NSDL may follow the following procedure: i. Click on URL: https://eservices.nsdl.com ii. Click on the "Beneficial Owner" icon under 'IDeAS' section. iii. Enter your User ID and Password for accessing IDeAS, iv. On successful authentication, you will enter your IDeAS service login.	1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure: i. Click on URL: https://web.cdslindia.com/myeasitoken/home/login Or www.cdslindia.com and click on New System Myeasi ii. Enter your User ID and Password for accessing Easi/ Easiest.

NSDL	CDSL
v. Click on "Access to e-Voting" under Value Added Services on the panel available on the left-hand side. vi. Click on "Active e-voting Cycles" option under e-voting. vii. Click on Company name or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.	iii. Click on Company name or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.
2. Users not registered for IDeAS facility of NSDL may follow the following procedure: i. To Register, click on URL: https://eservices.nsdl.com/ ii. Select Register Online for 'IDeAS' iii. Proceed to complete registration using your DP ID, Client ID, Mobile Number, etc. iv. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.	2. Users not registered for Easi / Easiest facility of CDSL may follow the following procedure: i. To register, click on URL https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration ii. Proceed to complete registration using your DP ID, Client ID, Mobile Number, etc. iii. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.
3. Users may directly access the e-voting module of NSDL as per the following procedure: i. Click on URL: https://www.evoting.nsdl.com/ ii. Click on the button "Login" available under "Shareholder / Member" section. iii. Enter your User ID (i.e. 16-digit demat account number held with NSDL), login type, Password / OTP and Verification code as shown on the screen. iv. On successful authentication, you will enter the e-voting module of NSDL. v. Click on "Active E-voting Cycles / VC or OAVMs" option under e-voting. vi. Click on Company name or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.	3. **Users may directly access the e-voting module of CDSL as per the following procedure;** i. Click on URL: www.cdslindia.com/https://www.evotingindia.com. ii. Provide demat account number and PAN. iii. System will authenticate user by sending OTP on registered mobile & email as recorded in the demat account. iv. On successful authentication, you will enter the e-voting module of CSDL. v. Click on Company name or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.

Procedure to login through their demat accounts / website of the Depository Participant:

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

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

Contact details in case of technical issue on NSDL website	Contact details in case of technical issue on CSDL website.
Members facing any technical issue in login can 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**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at **022- 23058738 or 22-23058542-43.**

vii. **Information and Instructions for remote e-voting by shareholders other than individuals holding shares in demat mode and all other shareholders holding shares in physical mode:**

a. Initial password is provided in the body of the email.

b. Launch internet browser and type the URL: https://evoting.kfintech.com in the address bar.

c. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with RTA for e-voting, you can use your existing User ID and password for casting your votes.

User ID: For Members holding shares in Demat Form:

For NSDL: 8-character DP ID followed by 8 digits Client ID.

For CDSL: 16 digits beneficiary ID.

User ID: For members holding shares in Physical Form:

Event Number followed by Folio No. registered with the Company.

Password: Your unique password is sent via e-mail forwarded through the electronic notice.

Captcha: Please enter the verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons.

d. After entering the details appropriately, click on LOGIN.

e. You will reach the 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, e-mail address, etc. on first login. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

f. You need to login again with the new credentials.

g. On successful login, the system will prompt you to select the EVENT number of the Company.

h. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/ dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut- off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

i. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

j. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, 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

k. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.

l. Any person who becomes a member of the Company after dispatch of the Notice of the AGM and holding shares as on the cut-off date i.e. Tuesday, 15th September, 2026 may obtain the user ID and password in the manner as mentioned below:

   i. If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+ Folio No. or DP ID Client ID to 9212993399.

      Example for NSDL: MYEPWD <SPACE> IN12345612345678

      Example for CDSL: MYEPWD <SPACE>1402345612345678

      Example for Physical: MYEPWD <SPACE> XXXX1234567

   ii. If e-mail address or mobile number of the member is registered against Folio No. or DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

   iii. A member may call KFinTech's toll free number 1-800-3454-001

   iv. A member may send an e-mail request to evoting@kfintech.com.

   v. If the member is already registered with KFinTech's e-voting platform then he/she can use his / her existing User ID and password for casting the vote through remote e-voting.

   vi. In case of any query on e-voting, Members may refer to the "Help" and "FAQs" sections / e-voting user manual available through a dropdown menu in the "Downloads" section of KFinTech website for e-voting: https://evoting.kfintech.com/ or contact KFinTech as per the details given above.

By order of the Board of Directors

For and on behalf of
SURAT TRADE AND MERCANTILE LIMITED

Sd/-
Ankita Prasiddha Shroff
Company Secretary & Compliance Officer
Membership Number: A36425

Place: Surat
Date: 12th August, 2026.

REGISTERED OFFICE

6th Floor, Tulsi Krupa Arcade, Near Aai Mata Chowk, Puna-Kumbharia Road, Dumbhal, Surat - 395010

Important Dates

The Shareholders are requested to take note of the below mentioned important dates with respect to 80th Annual General Meeting of the Company:

Particulars	Date and Time
(A) Cut-off Date for Eligible Shareholders for e-Voting	Tuesday, 15th September, 2026
(B) Speaker Registration	
starts on	Friday, 28th August, 2026 at 9.00 A.M. (IST)
ends on	Monday, 31st August, 2026 at 5.00 P.M. (IST)
(C) E-Voting	
starts on	Saturday, 19th September, 2026 at 9.00 A.M. (IST)
ends on	Monday, 21st September 2026 at 5.00 P.M. (IST)
Date of 80th Annual General Meeting	Tuesday, 22nd September, 2026 at 3:30 P.M. (IST)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, SECRETARIAL STANDARD ON GENERAL MEETINGS ('SS-2') AND ADDITIONAL INFORMATION AS REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CIRCULARS ISSUED THEREUNDER

Item No. 3: Re-appointment of Mr. Deepak N. Shah (DIN: 07356807) as an Independent Director of the Company

In compliance with the provisions of Sections 149, 152 of the Companies Act, 2013 ('Act') read with Schedule IV of the Act and applicable rules made thereunder and Regulations 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations'), the Shareholders of the Company at the 76th Annual General Meeting held on 13th September 2022 had approved the appointment of Mr. Deepak N. Shah (DIN: 07356807) as an Independent Director of the Company for a period of 5 (five) consecutive years from 11th August 2022 to 10th August 2027 and accordingly he holds office as an Independent Director up to 10th August 2027.

Mr. Deepak N. Shah, aged about 76 years, is a Fellow Member of the Institute of Chartered Accountants of India. He is a Practicing Chartered Accountant and having more than 4 decades of experience in the Statutory Audits, Tax Audits, Internal Audit, Management Audits and MIS related services.

As per Section 149 of the Act read with Regulation 25 of the Listing Regulations, an Independent Director may hold office for two terms of up to 5 (five) consecutive years each with the approval of the Shareholders by way of Special Resolution. Further, as per Regulation 17(1A) of the Listing Regulations, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of 75 years unless a Special Resolution is passed to that effect. Mr. Deepak N. Shah has already attained the age of 75 years during his first term and continuance of his proposed re-appointment as an Independent Director would require passing of Special Resolution.

In view of the above and based on his performance evaluation, and considering the significant contributions made by him during his first term as an Independent Director, the Nomination and Remuneration Committee has recommended the re-appointment of Mr. Deepak N. Shah as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from 11th August 2027 to 10th August 2032 (both days inclusive) in accordance with the provisions of the Act and Listing Regulations.

In view of the valuable contributions made by Mr. Deepak N. Shah and based on the positive outcome of the performance evaluation, skills, experience, knowledge, including contribution in the Board and Committee Meetings, the Board of Directors believes his re-appointment is in the best interest of the Company.

The Board of Directors of the Company at its Meeting held on 12th August, 2026, after taking cognizance of the recommendation received from the Nomination and Remuneration Committee have unanimously decided to continue with the appointment of Mr. Deepak N. Shah 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.

Mr. Deepak N. Shah does not hold Directorship/ Committee Membership in any other Company and has not resigned from any listed Company in the past 3 (three) years.

Mr. Deepak N. Shah has attended 5 (Five) meetings of the Board during FY2025-26.

Mr. Deepak N. Shah is not holding any shares of the Company either directly or in form of beneficial interest for any other person.

Mr. Deepak N. Shah does not have inter-se relationship with any other Director and Key Managerial Personnel of the Company.

The Company has also received a Notice in writing under Section 160 of the Act, proposing his candidature for the appointment as Director of the Company.

The Company has received declarations from Mr. Deepak N. Shah, stating that he 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 he 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, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. He has also confirmed that he 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. He has given his consent to act as a Director of the Company.

Mr. Deepak N. Shah 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.

In the opinion of the Board, Mr. Deepak N. Shah fulfils the conditions specified in the Act and rules made thereunder and Listing Regulations for his re-appointment as an Independent Director of the Company and he is independent of the management. Copy of the draft letter for re-appointment of Mr. Deepak N. Shah as an Independent Director would be made available for inspection through electronic mode.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the Listing Regulations read with Secretarial Standard-2 (SS-2) on "General Meetings", issued by the Institute of Company Secretaries of India.

Brief profile of Mr. Deepak N. Shah 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.

Except Mr. Deepak N. Shah and his relatives, if any, none of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the accompanying Notice.

The Board of Directors recommends the Special Resolution set out at Item No. 3 of the accompanying Notice for approval of the Members.

By order of the Board of Directors

For and on behalf of
SURAT TRADE AND MERCANTILE LIMITED

Sd/-
Ankita Prasiddha Shroff
Company Secretary & Compliance Officer
Membership Number: A36425

Place: Surat
Date: 12th August, 2026

"Annexure A"

Details of Directors seeking Appointment/Re-appointment Information as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard–2 on General Meetings issued by the Institute of Company Secretaries of India, is given below:

Name Of Director	Mr. Alok P. Shah	Mr. Deepak N. Shah
Director Identification Number (DIN)	00218180	07356807
Date of Birth (Age)	11th September, 1970	23rd October, 1950
Designation	Managing Director	Independent Director
Date Of First Appointment on the Board	29th June, 2022	11th August, 2022
Terms and Conditions of appointment/ re-appointment	Liable to retire by rotation, original terms of appointment would follow.	Not liable to retire by rotation, original terms of appointment would follow.
Qualification	Graduate in Electrical Engineering from Stanford University and has an M.B.A. (Finance, General Management and Economics) from University of Chicago, USA.	Fellow Member (FCA) of the Institute of Chartered Accountants of India (ICAI)
Nature of expertise in specific functional areas	He has wide exposure and knowledge in project appraisal, assessing technical feasibility in respect of projects, corporate finance & management etc.	Practicing Chartered Accountant holds more than four decades of experience in Corporate Audit, Taxation, Internal Audit and MIS related services.
In case of Independent Directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	NA	Mr. Deepak N. Shah, aged about 76 years, is a Fellow Member of the Institute of Chartered Accountants of India. He is a Practicing Chartered Accountant and having more than 4 decades of experience in the Statutory Audits, Tax Audits, Internal Audit, Management Audits and MIS related services.
Name of the companies in which the proposed appointee holds directorship (other than Surat Trade and Mercantile Limited)	• Rosekamal Textiles Private Limited • Sorrento Textiles Private Limited • Prabhat Silk Mills Limited • Introscope Properties Private Limited • Bijlee Textile Private Limited • Palomar Textiles Limited • Armorex Business Centre Private Limited	NIL

Name Of Director	Mr. Alok P. Shah	Mr. Deepak N. Shah
	• Global Textile Market Holdings Private Limited • Porus Textiles and Trading Private Limited • Andromeda Textiles and Trading Private Limited	
Name of listed entities from which the person has resigned in the past three years	NIL	NIL
Details of remuneration (including Setting fee, if any) last drawn	₹4,80,000/- p.a.	₹2,25,000/-
No. of meetings of the Board attended during the year	5 (Five)	5 (Five)
Details of remuneration sought to be Paid	As per the terms mutually agreed by the board	Apart from sitting fees for attending Board and Committee Meetings, Mr. Deepak N. Shah does not receive anything in the form of remuneration
Inter se relationship with other Directors, Manager, and other Key Managerial Personnel of the Company	Mr. Alok P. Shah and Mr. Suhail P. Shah, Whole-Time Director are siblings. Apart from this, Mr. Alok P. Shah is not related to any other Director and KMP in the Company	NA
Membership/ Chairmanship of Committees of other Boards	NIL	NIL
Shareholding in the Company: No. of shares held as on 31st March 2026: (a) Own (b) For other persons on a beneficial Basis	8,93,81,990 Equity Shares of Rs.1 each fully paid up comprising of about 40.25% of the paid-up capital of the Company.	NIL

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 80th Annual Report of **Surat Trade and Mercantile Limited** (‘your Company’ or ‘the Company’) along with the Audited Financial Statements for the Financial Year (’FY’) ended 31st March 2026.

FINANCIAL HIGHLIGHTS

The Audited Financial Statements of your Company as on 31st March 2026, are prepared in accordance with the relevant applicable Indian Accounting Standards (“Ind AS”) and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and the provisions of the Companies Act, 2013 (“Act”).

Your Company’s financial performance for the year ended 31st March 2026 is summarized below:

(Rs. in Lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Revenue from Operations	**11134.58**	6863.70
Other income	**1378.56**	1482.44
Total Income	**12513.14**	8346.14
Operating Profit/(Loss) / EBITDA (including other income)	**1471.76**	996.35
Less: Finance Costs	**15.18**	16.11
Profit before Depreciation & Amortisation Expenses	**1456.58**	980.24
Less: Depreciation & Amortisation Expenses	**57.23**	51.65
Profit before tax	**1399.35**	928.59

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

During FY25-26, your Company delivered a robust performance. Revenue from operations was Rs. 11134.58 Lakhs compared to Rs. 6863.70 Lakhs in the previous fiscal year.

During FY25-26, Profit before tax rose to Rs. 1399.35 Lakhs from Rs.928.59 Lakhs in the previous year.

Your Company operates primarily in commodity trading and other related activities. During FY25-26, it remained the biggest operational driver of the Company. The Company achieved an income from commodity trading of Rs 10625.33 Lakhs as compared to Rs 6863.70 Lakhs during FY24-25.

Your Company successfully leveraged the ongoing fluctuations and volatility in global commodity markets to maximize profitability with prudent hedging strategies.

During the year under review, the Company actively participated in the trading of metals, in particular gold and silver. Business volume increased substantially as yields improved compared to the previous year. There was significant volatility in commodity prices in the international as well as domestic market through the year, which materially increased during the Iran war at the end of FY26 owing to supply chain disruption, attacks on energy infrastructure in the Middle East etc. This volatility however enabled the Company to improve returns while minimizing risk owing to its strategic hedging practices using derivatives on recognized exchanges.

The Company’s profit was also boosted by the sale of artworks in FY25-26.

The Company deploys its surplus liquidity into a curated portfolio of financial instruments to maximize risk-adjusted returns and ensure capital preservation.

For this purpose, the Company maintains a diversified portfolio of investments in equities, debt, including in various mutual funds and AIFs. This, we believe is important in a volatile, uncertain environment.

Total earnings from investment activities, which comprises of dividends and realized/unrealized gains and income from investment in AIF etc., declined at Rs.1378.56 Lakhs during FY25-26 compared to Rs 1482.44 Lakhs in the previous year. This was primarily on account of lower returns in the listed financial markets. Equity and Debt portfolios were influenced by monetary policies, currency movements, U.S. trade policies, fluctuating oil prices due to escalating geopolitical tensions, foreign portfolio outflows, currency concerns, perceived risks to corporate earnings and economic growth etc.

During FY 25-26, the income from AIF investment increased to Rs. 924.40 Lakhs as compared to Rs.805.51 Lakhs in FY24-25. The total asset value under AIFs at the end of FY25-26 also increased to Rs. 9542.07 Lakhs as compared to Rs. 7745.77 Lakhs for FY24-25.

During FY25-26, total income (excluding AIF) from investment activities, including dividends and realized/ unrealized gains etc. declined at Rs.454.16 Lakhs compared to Rs 676.93 Lakhs earned in the previous year.

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 31st March 2026.

TRANSFER TO RESERVES

Your directors do not propose to transfer any amount of Profits as appearing in the Statement of Profit and Loss of the Company for the year ended 31st March 2026 to the reserves and decided to retain the entire profit for FY26 in the retained earnings.

SHARE CAPITAL

The issued, subscribed and paid-up Equity Share Capital of the Company as on 31st March 2026 stood at Rs. 2220.64 Lakhs consisting of 22, 20, 64,440 equity shares of Rs.1 each fully paid up. Out of the above, the Promoters held 15, 20, 04,917 equity shares comprising 68.45% of the equity share capital of the Company. There was neither any change in the share capital of the Company nor was there any change in the shareholding of the Promoter of the Company during FY 2025-26.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company has no subsidiary / joint venture / associates for the financial year ended 31st March 2026. Accordingly, the requirements pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains an adequate system of internal controls aligned with the requirements of Section 134(5)(e) of the Act and commensurate with the size and the nature of its commodity trading business. This ensures that all transactions are authorized, recorded, and reported correctly. The scope includes regular internal audits, strict adherence to exchange margin requirements, and comprehensive tracking of physical-to-derivative position reconciliations.

The Audit Committee, composed of professionally qualified Directors, plays a pivotal role in ensuring the integrity of financial and operational controls. It actively engages with the Statutory Auditors, Internal Auditors and Management to oversee and strengthen the Internal Control environment.

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

RESOURCES AND LIQUIDITY

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

There was no outstanding term loan at the beginning or at the end of financial year 2025-26. 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.

The Company continues to demonstrate disciplined capital management.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of the Company during the financial year ended 31st March, 2026.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

DIRECTORS

As on 31st March 2026, your Company has 6 (Six) Directors with an optimum combination of Executive and Non-Executive Directors. The Board comprises of 3 (Three) Non-Executive Directors, all 3 are Independent Directors including 1 (One) woman Independent Director.

RE-APPOINTMENT OF DIRECTORS

The Members of the Company at their 79th Annual General Meeting held on 12th September 2025, approved the re-appointment of Shri Suhail P. Shah (DIN: 00719002), who was retiring by rotation at the 79th Annual General Meeting and being eligible had offered himself for re-appointment, as the Director, liable to retire by rotation.

The Members of the Company at the 79th Annual general Meeting held on 12th September 2025, approved the re-appointment of Shri Alok P. Shah (DIN: 00218180) for a period of 5 years from the expiry of his present term of office, i.e., with effect from 1st July, 2025 as Managing Director. His directorship is liable to retire by rotation.

In accordance with the provisions of Section 152 of the Companies Act, 2013 ('the Act'), Shri Alok P. Shah (DIN: 00218180) will be retiring by rotation at the 80th Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

The Shareholders of the Company by way of Postal Ballot through Special Resolution approved the appointment of Mr. Suhail P. Shah (DIN: 00719002) as Wholetime Director designated as Executive Director of the Company for a period of 3 years with effect from 1st September 2023. Accordingly, his present term of 3 years ends on 31st August 2026.

Further, based on the recommendation of the Nomination and Remuneration Committee and on the approval of the Board of Directors at their meeting held on 26th May 2026, approval of the shareholders accorded at the Extra-Ordinary General Meeting held on 10th August, 2026, for the re-appointment of Mr. Suhail P. Shah as Wholetime Director designated as Executive Director of the Company for a period of 5(five) years with effect from 1st September 2026.

The first term of appointment of Mr. Deepak N. Shah (DIN: 07356807) as a Non-Executive Independent Director of the Company is due to expire on August 10, 2027. Based on the recommendation of the Nomination and Remuneration Committee and after taking into consideration his performance evaluation, skills, experience, expertise and the declaration of independence submitted by him, the Board of Directors, at its meeting held on August 12, 2026, approved his re-appointment as a Non-Executive Independent Director of the Company for a second consecutive term of five (5) consecutive years commencing from August 11, 2027 and ending on August 10, 2032 (both days inclusive). The requisite Special Resolution seeking approval of the Members for his re-appointment forms part of the Notice convening this Annual General Meeting.

Brief resume, nature of expertise, disclosure of relationship between Directors inter-se, details of directorships and committee membership held in other companies of the Directors proposed to be appointed / re-appointed along with their shareholding in the Company, remuneration, terms and conditions of appointment etc., as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, is appended as an Annexure to the Notice convening the 80th Annual General Meeting.

KEY MANAGERIAL PERSONNEL (KMP)

In compliance with Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following persons are the Key Managerial Personnel of your Company:

1. Mr. Alok P. Shah (DIN: 00218180), Managing Director
2. Mr. Paresh V. Chothani (DIN: 00218632), Wholetime Director
3. Mr. Suhail P. Shah, (DIN: 00719002), Wholetime Director
4. Mr. Chandresh S. Punjabi, Chief Financial Officer
5. Ms. Ankita Prasiddha Shroff, Company Secretary

Ms. Mahek Gaurav Jaju resigned from the post of Company Secretary and Compliance Officer with effect from 30th April 2026. Further, pursuant to provisions of Section 203 of the Companies Act 2013 Ms. Ankita Prasiddha Shroff has been appointed as Company Secretary and Compliance Officer with effect from 26th May 2026.

INDEPENDENT DIRECTORS

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

All the Independent Directors of the Company have submitted their declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided under Schedule IV and Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

All the Independent Directors have confirmed that their names are registered in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs (IICA) in terms of Rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014. They have further confirmed that they have complied with the requirements of Rule 6(2) of the said Rules and have cleared the online proficiency self-assessment test within the prescribed timeline/ is exempt from the requirement to undertake the online proficiency self-assessment test, as applicable.

During the year under review, the Company had no pecuniary relationship or transactions with its Independent Directors, except for sitting fees, reimbursement of meeting related expenses, in accordance with the Act and Listing Regulations.

The Appointment and Tenure of the Independent Directors, including code for Independent Directors, are available on the website of the Company at 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 24th March 2026.

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

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

FAMILIARIZATION / ORIENTATION PROGRAM FOR INDEPENDENT DIRECTORS

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

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

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

NUMBER OF MEETINGS OF THE BOARD AND COMMITTEES OF THE BOARD

During FY 2025-26, 5 (five) meetings of the Board of Directors were held. The details of these meetings and Directors' attendance are provided in the Corporate Governance Report, which forms part of this Report. As per the requirement of the Act and Listing Regulations, the interval between two meetings of Board of Directors and Audit Committee did not exceed one hundred and twenty days. The composition, terms of reference, and number of meetings of the Board Committees during the year are also detailed in the Corporate Governance Report.

COMMITTEES OF THE BOARD

As required under the Companies Act, 2013 and the SEBI Listing Regulations, your Company has constituted various Statutory Committees. As on 31st March 2026, the Board had four committees: the audit committee, the corporate social responsibility committee, the nomination and remuneration committee and stakeholder's relationship committee. During the year, all recommendations made by the committees were approved by the Board. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report.

AUDIT COMMITTEE

The Audit Committee comprised of three (3) members, and all the members are Independent Directors.

Mr. Deepak N. Shah is the Chairman of the Audit Committee. Ms. Kruti Kothari and Mr. Manish J. Gandhi are members of the Committee. During the year under review, five (5) meetings of the Audit Committee were held.

The Audit Committee acts as a link between the Statutory Auditors, Internal Auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its responsibilities of monitoring financial reporting process, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's Statutory and Internal Audit activities. The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Act and Listing Regulations.

The details of meetings held during the year and attendance of members of the Audit Committee are provided in the Corporate Governance Report, which forms part of this Report.

There were no instances where the recommendations of the Audit Committee were not accepted by the Board.

BOARD EVALUATION AND CRITERIA FOR EVALUATION

In compliance with the Act and Listing Regulations and based on the Nomination and Remuneration Committee's recommendation, the Board adopted a Performance Evaluation Policy outlining criteria for evaluating the performance of the Board, its committee and individual Directors, including Independent Directors. The Board has carried out an annual evaluation of its own performance, its committee and individual Directors, based on the criteria as provided in the Performance Evaluation Policy.

Based on such evaluation, the Board is of the view that all Independent Directors are having thorough knowledge, expertise and experience in their respective areas and possess very good understanding of the Company's business and the general economic environment. They devote quality time and full attention to understand key issues relating to business of the Company and advise on the same which improved governance standards within the Company.

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 24th March 2026 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 2025-26. 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 / Wholetime 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.

AUDITORS:

a) STATUTORY AUDITORS:

At the 76th AGM held on 13th September 2022, the Members approved the re-appointment of M/s Sharp and Tannan Associates, Chartered Accountants (ICAI Firm Registration Number 109983W), as the Statutory Auditors of the Company to hold office as the Statutory Auditors for a second term of 5 years commencing from the conclusion of the 76th AGM till the conclusion of the 81st AGM to be held in the FY 2027-28.

As required under the SEBI Listing Regulations, the Statutory Auditors have 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.

b) SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act 2013 read with rules framed thereunder, and Regulation 24A of the Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 as amended and based on recommendation of the Board of Directors, the Shareholders of the Company at the 79th Annual General Meeting held on 12th September 2025 approved the appointment of M/s Jigar Vyas & Associates, Practicing Company Secretaries (Firm Registration No. S2015GJ307200) as the Secretarial Auditors of the Company for a term of 5 (five) consecutive years to conduct the Secretarial Audit of five consecutive years from FY 2025-26 to FY 2029-30.

M/s Jigar Vyas & Associates, Practicing Company Secretaries have confirmed that they are not disqualified from being appointed as the Secretarial Auditors of the Company and satisfy the prescribed eligible criteria.

c) INTERNAL AUDITORS

Based on the recommendation of Audit Committee, the Board of Directors, at their meeting held on 26th May 2026, re-appointed M/s K. S. Jagirdar & Co., (ICAI Membership No.036904), Chartered Accountants as Internal Auditors of the Company to conduct the Internal Audit for FY 2026-27. The Internal Auditors present their findings and status updates to the Audit Committee on a quarterly basis.

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

AUDITORS' REPORT

a) STATUTORY AUDITOR'S REPORT

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 31st March 2026 is annexed to the financial statements in terms of the provisions of Section 134(2) of the Companies Act, 2013.

There was no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their Report. For FY 2025-26, the Auditors have not reported any instances of fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(a) of the Act is not applicable. The Statutory Auditors were present in the last AGM.

b) SECRETARIAL AUDITOR'S REPORT

The Secretarial Audit Report of M/s Jigar Vyas & Associates, Practicing Company Secretaries, for the year ended 31st March 2026 in Form MR-3 is annexed as Annexure - D, which forms part of this Report.

The Company has undertaken an audit for the Financial Year 2025-26 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.

The Annual Secretarial Compliance Report for FY

2025-26, does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report in Form MR-3 for the Financial Year ended 31st March, 2026 is attached as **Annexure D** to this Report. The Secretarial Auditors Report have the following observation:

Auditors Observation	Management Response
Related Party Transactions with Mr. Alok P. Shah(DIN: 00218180), Managing Director of the Company for the financial year 2025-26 has exceeded the prescribed limits under the first proviso to Regulation 23 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	During the internal review process conducted in July 2026, the Company identified an inadvertent non-compliance with the first proviso to Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Immediately upon identification of the non-compliance, the Company informed the Secretarial Auditor and initiated corrective measures. Accordingly, the Audit Committee and the Board of Directors, at their respective meetings held on 14 July 2026, approved and ratified the concerned related party transaction(s). Thereafter, the Members of the Company, at the Extra-Ordinary General Meeting held on 10 August 2026 during the financial year 2026–27, also approved and ratified the said transaction(s). Pursuant to the shareholders' approval, the Company voluntarily filed a suo motu Settlement Application with the Securities and Exchange Board of India (SEBI) in accordance with the applicable provisions governing settlement proceedings.

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 2025-26.

SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India. The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by The Institute of Company Secretaries of India, as amended and such systems were adequate and operating effectively.

DIRECTORS' RESPONSIBILITY STATEMENT

The Financial Statements are prepared in accordance with the Indian Accounting Standards (Ind AS) and based on the framework of Internal Financial Controls established and maintained by the Company, work performed by the Internal, Statutory, and Secretarial Auditors and external agencies including audit of Internal Financial Controls over Financial Reporting by the Statutory Auditors and reviews performed by the management and relevant Board Committees, including Audit Committee, the Board is of the opinion that your Company's Internal Financial Controls were adequate and effective during FY 2025-26.

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

(a) in the preparation of the annual accounts for the financial year ended 31st March 2026, 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 profit and 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 2026 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; and

(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.

RE-CLASSIFICATION OF ASSETS

During the year, the Company re-assessed the classification of certain land and buildings previously classified under Property, Plant and Equipment (“PPE”).

As the said premises are not being used for operational or any other business purposes of the Company and the land is intended to be held for capital appreciation and strategic monetization, the land has been reclassified as Investment Property in accordance with Ind AS 40 – Investment Property.

Further, based on an Independent external valuation report, the recoverable/residual value of the building was assessed at Rs. 20 lakhs against its carrying amount of Rs. 50.54 lakhs. Accordingly, the Company recognized an impairment loss of Rs. 30.54 lakhs as ‘Other Expenses’ in the Statement of Profit and Loss, in accordance with “Ind AS 36 – Impairment of Assets."

CORPORATE GOVERNANCE

The Company adheres to the corporate governance requirement set out by Securities and Exchange Board of India and considers the same as its inherent responsibility to disclose timely and accurate information to its stakeholders regarding its operations, performance, leadership and governance of the Company.

A Certificate by the Managing Director and the Chief Financial Officer of the Company in terms of Listing Regulations, inter alia confirming the correctness of the Financial Statements are placed before the Audit Committee and Board of Directors of the Company on quarterly basis.

The Report on Corporate Governance as stipulated under Schedule V 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

Your Company is having duly constituted Corporate Social Responsibility (‘CSR’) Committee comprised of 3 (Three) members out of which, 2 (Two) are Independent Directors. The present members of the CSR Committee comprise of Mr. Deepak N. Shah as the Chairman, Mr. Paresh V. Chothani and Mr. Manish J. Gandhi as Members. The CSR Committee met on 24th March 2026 to review the Corporate Social Responsibility Policy.

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

Your Company has also in place a CSR policy duly approved by the Board of Directors that provides guidelines for conducting its CSR activities and can be accessed at Company’s website at http://www.stml.in/ under the link: http://www.stml.in/policies.aspx.

During the Financial Year 2025-26, the Company has contributed for activities undertaken by the Registered agency, Trust etc. in compliance with the provisions of the Companies Act, 2013 for the above objectives inter alia Conservation of natural resources, contribution to R & D, Rural Development, Promoting education and healthcare etc.

During the year under review, your Company spent Rs. 17.50 Lakhs on CSR activities. The average net profit for the past three financial years was Rs 873.45 Lakhs.

The details about CSR Committee, its Terms of Reference, meetings held and attendance of members are provided in the Corporate Governance Report. There have been no instances during the year where recommendations of the CSR Committee were not accepted by the Board.

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

RELATED PARTY TRANSACTIONS

The Board of Directors has adopted a Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions ("RPT Policy"), which lays down the framework for identification, approval, review and reporting of Related Party Transactions, including the threshold limits for determining material modifications thereto. The Policy is intended to ensure that all Related Party Transactions are conducted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

During the year under review, the Board of Directors, at its meeting held on February 14, 2026, reviewed and amended the RPT Policy in line with the requirements of Regulation 23 of the SEBI Listing Regulations. The Policy is available on the Company's website.

During the financial year 2025-26, all Related Party Transactions entered into by the Company with its related parties were in the ordinary course of business and on an arm's length basis. Prior approval of the Audit Committee was obtained for all Related Party Transactions, including omnibus approvals for repetitive transactions, in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The Audit Committee also reviewed such transactions on a quarterly basis.

Pursuant to Regulation 23 of the SEBI Listing Regulations, the Company submits the details of Related Party Transactions on a consolidated basis in the prescribed format to the Stock Exchanges on a half-yearly basis.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are provided in **Annexure E** in Form AOC-2, which forms an integral part of this Report.

The disclosures relating to Related Party Transactions, as required under the applicable Indian Accounting Standards, are set out in Note 34 to the Standalone Financial Statements forming part of this Annual Report.

Observation on Related Party Transactions

Auditors Observation	Management Response
Related Party Transactions with Mr. Alok P. Shah(DIN: 00218180), Managing Director of the Company for the financial year 2025-26 has exceeded the prescribed limits under the first proviso to Regulation 23 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	During the internal review process conducted in July 2026, the Company identified an inadvertent non-compliance with the first proviso to Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Immediately upon identification of the non-compliance, the Company informed the Secretarial Auditor and initiated corrective measures. Accordingly, the Audit Committee and the Board of Directors, at their respective meetings held on 14 July 2026, approved and ratified the concerned related party transaction(s). Thereafter, the Members of the Company, at the Extra-Ordinary General Meeting held on 10 August 2026 during the financial year 2026–27, also approved and ratified the said transaction(s). Pursuant to the shareholders' approval, the Company voluntarily filed a suo motu Settlement Application with the Securities and Exchange Board of India (SEBI) in accordance with the applicable provisions governing settlement proceedings.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

Internal Financial Control systems of the Company are commensurate with its size and the nature of its operations. The controls are adequate for ensuring the orderly and efficient conduct of the business, including adherence to the Company’s policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial information.

Internal audit findings are reviewed, and Significant audit observations and corrective actions are periodically reported to the Audit Committee for review and strategic oversight.

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 26th May 2026 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 2026.

MATERIAL CHANGES AND COMMITMENTS

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

BOARD POLICIES

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

Your directors affirm that the remuneration paid to the Directors, Key Managerial Personnel, Senior Management Personnel and other employees is as per the Nomination and Remuneration Policy of your Company.

The Nomination and Remuneration Policy include the criteria for determining qualification, positive attributes, independence of Directors and other matters as required under Section 178(3) of the Act and is annexed as **Annexure – C**. The Nomination and Remuneration Policy is also available on the Company's website on 'http://www.stml.in/policies.aspx.

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company has adopted zero tolerance for sexual harassment at the workplace and has a policy as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') for prevention and redressal of complaints of sexual harassment at workplace.

A duly constituted Internal Committee ('IC') is also in place to redress complaints on sexual harassment. The IC is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process with clear timelines.

The details of complaints relating to sexual harassment at workplace during the year ended 31st March 2026 are provided as under:

a) Number of complaints of sexual harassment received during the year: Nil

b) Number of complaints disposed - off during the year: Nil

c) Number of cases pending for more than ninety days: Nil

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

DISCLOSURE UNDER MATERNITY BENEFITS ACT, 1961

The Company complies with the provisions of the Maternity Benefits Act, 1961, ensuring that eligible women employees receive their statutory entitlements. These benefits reflect your Company's commitment in creating a compliant, inclusive and supportive workplace that prioritizes the health and well-being of expecting and new mothers.

INDIAN ACCOUNTING STANDARDS (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 31st March 2026 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 AND VIGIL MECHANISM

Pursuant to provisions of Section 177(9) of the Act, read with Regulation 22(1) of the Listing Regulations, your Company has adopted a Whistle Blower Policy ('Policy'), to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, including actual or suspected leak of unpublished price sensitive information, actual or suspected fraud or violation of the Company's Code of Conduct.

The Policy provides for adequate safeguards against victimization of employees and also provides direct access to the Chairman of the Audit Committee in certain cases. It is affirmed that no personnel of the Company was denied access to the Audit Committee.

The functioning of the Whistle Blower Mechanism/ Vigil Mechanism existing in the Company is reviewed by the Audit Committee on Annual basis. During the year under review, no compliant has been received and no employee was denied access to the Audit Committee.

The Whistle Blower Policy is available on the Company's website at 'http://www.stml.in.

REPORTING OF FRAUD

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The primary business activities of the Company comprise of Trading in Commodities and other Commodity related business. Accordingly, there are no reportable details relating to conservation of energy or technology absorption. There were no foreign exchange earnings or outgo during the year under review.

CEO AND CFO CERTIFICATION

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

HEALTH, SAFETY AND ENVIRONMENT

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

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

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

During the year under review, the Company continued to have cordial and peaceful relations with the manpower employed. The focus remains on continuous skill upgradation to navigate complex commodity and financial markets. There were total 25 employees (including Managing Director/Wholetime Directors) which comprises of 3 female and 22 male employees as at 31st March 2026.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance reflects the strength of our dual-model operations. Revenue from commodity trading is supported by the other income and appreciation generated from our financial investments. A detailed discussion on the financial statements is forming part of the Director's Report.

GREEN INITIATIVES

In commitment to keep in line with the Green Initiatives and going beyond it, the Notice of 80th Annual General Meeting of the Company including the Annual Report for FY 2025-26 are being sent to all Members whose e-mail addresses are registered with the Company / Depository Participant(s).

CODE ON SOCIAL SECURITY

The Government of India on 21st November 2025 notified the four Labour Codes consolidating 29 existing labour laws. The Ministry of Labour & Employment has also issued draft Central Rules and FAQs to help assess the financial impact of these changes. The Company shall comply with the applicable provisions of the Labour Codes.

RISK MANAGEMENT

Your Company uphold a balanced risk appetite, enabling it to pursue growth while maintaining strong risk controls.

The 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.

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

All the insurable interests of your Company including inventories, buildings, and other assets etc. are adequately insured against risk of fire and other risks.

DEPOSITS FROM PUBLIC

There were no outstanding deposits within the meaning of Section 73 and 74 of the Act read with rules made thereunder at the end of FY26 or the previous financial year. Your Company did not accept any deposit during the year under review.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

ANNUAL RETURN

Pursuant to Sections 92(3) and 134(3)(a) of the Act, read with Rule 12 of Companies (Management and Administration) Rules, 2014, the Annual Return in Form MGT - 7 for the Financial Year ended 31st March 2026, is available on the Company's website at http://stml.in/AnnualReturn.aspx

The Annual Return shall be filed with the Ministry of Corporate Affairs, within the prescribed timelines.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of the operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis Report, which forms part of this Report attached as **Annexure G.**

STATE OF COMPANY'S AFFAIRS

The state of your Company's affairs is given under the heading 'Review of Operations' and various other headings in this Report which forms part of the Annual Report.

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.

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 2026.

REASERCH AND DEVELOPMENT

During the period under review, Company has not invested or has undertaken any research and development activities.

TRANSFER OF AMOUNTS TO INVESTOR EDUCTION AND PROTECTION FUND ACCOUNT

The Company has not declared any dividend during the last seven years. Accordingly, there were no amounts required to be transferred to the Investor Education and Protection Fund (IEPF) during the financial year under review.

LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company are listed on BSE Limited. The Company confirms that it has paid the prescribed Annual Listing Fee to BSE Limited up to March 31, 2026, within the prescribed timelines.

INSOLVENCY AND BANKRUPTCY CODE, 2026

During the financial year, neither any application nor any proceedings is initiated against the Company under the Insolvency and Bankruptcy Code, 2016.

SETTLEMENT WITH BANKS OR FINANCIAL INSTITUTIONS

During the financial year, no settlements were made by the Company with any of the Banks or Financial Institutions.

DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE AVAILING LOANS FROM BANKS OR FINANCIAL INSTITUTIONS, ALONG WITH THE REASONS THEREFOR

During the financial year 2025–26, no insolvency proceedings were initiated against the Company. Accordingly, there were no instances of one-time settlement with any bank or financial institution, and hence this disclosure is not applicable.

DETAILS OF PENALTIES, PUNISHMENT OR COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE DIRECTORS' REPORT

There were no penalties, punishments or commitments affecting the financial position of the Company between the end of the financial year and the date of this Directors' Report.

GENERAL DISCLOSURES

The Board of Directors state that during the year ended 31st March 2026:

1. Your Company did not issue any equity shares with differential rights as to dividend, voting or otherwise.
2. Your Company did not issue shares (Including sweat equity shares) to employees of your Company under any scheme.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operation in future.
4. There were no revisions made in the financial statements and Directors' Report of your Company.

CAUTIONARY STATEMENT

Certain statements made in the Directors Report describing the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the applicable securities laws and regulations.

Actual results may differ from such expectations, whether expressed or implied. Several factors could make significant difference to the Company's Operations. These include global economic conditions, domestic commodity regulations, raw material price volatility, government regulations and taxation and other external factors etc. over which the Company may not have any direct / indirect control.

ACKNOWLEDGEMENT

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

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

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

By order of the Board

For and on behalf of **Surat Trade and Mercantile Limited**

Alok P. Shah	**Paresh V. Chothani**
DIN: 00218180	DIN: 00218632
Managing Director	Whole-Time Director

Place: Surat
Date: 12th August, 2026

Annexure - A

ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

All the Rupees (₹) figures are stated in lakhs

<table>
<tr>
<td>1</td>
<td>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.</td>
<td>
(a) Focus areas:
The Company supports various bodies in carrying out activities in the areas of rural development, education, health care etc.
(b) CSR Objectives:
To attain its CSR objectives in a professional and integrated manner, the main objectives are:
(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.
During The Financial Year 2025-26, the Company has contributed for activities undertaken by the Registered agency in compliance with the provisions of the Companies Act, 2013 for the above objectives inter alia Conservation of natural resources, contribution to R & D, Rural Development, Promoting education and healthcare etc.
(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
</td>
</tr>
<tr>
<td>2</td>
<td>Composition of CSR Committee</td>
<td>
Composition, Meeting and Attendance thereat
The CSR Committee met on 24th March, 2026 to review the Corporate Social Responsibility Policy.
<table>
<tr><th>Name of Committee Members</th><th>Category</th><th>Attendance at the Nomination and Remuneration Committee Meeting held on 24.03.2026</th></tr>
<tr><td>Mr. Deepak N. Shah</td><td>Chairman, Independent Director</td><td></td></tr>
<tr><td>Mr. Manish J. Gandhi</td><td>Member, Independent Director</td><td>Leave of Absence</td></tr>
<tr><td>Mr. Paresh V. Chothani</td><td>Member, Executive Director (Whole-Time Director)</td><td></td></tr>
</table>
</td>
</tr>
</table>

<table>
<tr><td>3</td><td colspan="2">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.</td><td colspan="2">Web-Link to the CSR Policy:
http://www.stml.in/policies.aspx</td></tr>
<tr><td>4</td><td colspan="2">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.</td><td colspan="2">Not applicable.</td></tr>
<tr><td rowspan="2">5</td><td colspan="2" rowspan="2">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.</td><td>Financial year</td><td>Amount available for set-off from preceding financial years (₹ in Lakhs)</td></tr>
<tr><td>2022-23
2023-24
2024-25</td><td>Nil
Nil
0.01</td></tr>
<tr><td>6</td><td colspan="2">Average Net Profit of the Company for last three financial years (as per Section 198 of the Companies Act, 2013)</td><td colspan="2">₹ 873.45 Lakhs</td></tr>
<tr><td>7</td><td colspan="2">Prescribed CSR Expenditure (two per cent of the amount as in item 6 above)</td><td colspan="2">₹ 17.47 Lakhs</td></tr>
<tr><td>8</td><td colspan="2">Details of CSR spent during the financial year</td><td colspan="2"></td></tr>
<tr><td></td><td>(a)</td><td>Total amount to be spent for the financial year.</td><td colspan="2">₹ 17.46 Lakhs</td></tr>
<tr><td></td><td>(b)</td><td>Amount unspent, if any.</td><td colspan="2">Nil</td></tr>
<tr><td></td><td>(c)</td><td>Manner in which the amount spent during the financial year.</td><td colspan="2">The Company has spent an aggregate amount of ₹ 17.50 Lakhs for Conservation of natural resources, contribution to R & D, Rural Development, Promoting education and healthcare etc. During the period under review, the Company has made contribution to the following Trust/Foundation:
<table>
<tr><th>Sr. No.</th><th>Name of the Trust</th></tr>
<tr><td>1</td><td>WCB Research Foundation</td></tr>
<tr><td>2</td><td>Applied Environmental Research Foundation</td></tr>
<tr><td>3</td><td>Mook Badhir Vikas Trust</td></tr>
<tr><td>4</td><td>Andh Kanya Prakash Gruh Trust</td></tr>
</table></td></tr>
<tr><td>9</td><td colspan="2">Excess Amount for set off, if any</td><td colspan="2"></td></tr>
<tr><td></td><td>(i)</td><td>Two percent of average Net Profit of the Company as per Section 135(5) of the Act</td><td colspan="2">₹ 17.47 Lakhs</td></tr>
</table>

	(ii)	Total amount spent for the Financial Year	Rs.17.50 Lakhs
	(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹.0.03 Lakhs
	(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	₹0.01 Lakhs
	(v)	Amount required to be set off in succeeding financial years [(iii)-(iv)]	₹0.04 Lakhs
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)	Not Applicable
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.		Not Applicable
12	Specify the reason(s), if the Company has failed to spend two per cent of the average Net Profit as per Section 135(5) of the Act.		Not applicable.

Responsibility statement:

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

For and on behalf of the Board of Directors

Surat Trade and Mercantile Limited

	Alok P. Shah	**Deepak N.Shah**
Date: 12th August, 2026	Managing Director	Chairperson - CSR Committee
Place: Surat	(DIN 00218180)	(DIN 07356807)

Annexure - B

Particulars of employees 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

1. Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2025-26, the percentage increase in remuneration of each executive director, Chief Financial Officer and Company Secretary and Compliance Officer during the financial year 2025-26:

Sl. No.	Name of Director / Key Managerial Personnel	Designation	Ratio of remuneration of each Director to median remuneration of Employees of the Company for the FY ended 31st March, 2026 (Employees/Executive Director	Percentage increase in Remuneration during 2025-26 (%)
1.	Mr. Alok P. Shah	Managing Director	1:1.37	NA
2.	Mr. Suhail P. Shah	Whole-Time Director	1:0.86	NA
3.	Mr. Paresh V. Chothani	Whole-Time Director	1:5.07	6.00%
4.	Mr. Chandresh S. Punjabi	Chief Financial Officer	NA	9.00%
5.	Ms. Mahek G. Jaju (Resigned w.e.f April 30, 2026)	Company Secretary and Compliance Officer	NA	NA

Note:

a. The Non-Executive Directors of the Company are entitled to sitting fees for meetings attended as per the statutory provisions. The details of remuneration of Non-Executive Directors have been exhibited in the Corporate Governance Report and is governed by the Nomination and Remuneration Policy. The ratio of remuneration and percentage increase for Non-Executive Directors' Remuneration is therefore, not considered for the above purpose.

b. Percentage increase in remuneration indicates annual target total compensation increases, as approved by the Nomination & Remuneration Committee of the Company during the financial year 2025-26.

2. Average percentile increases already made in the salaries of employees other than the Managerial Personnel in the last Financial Year i.e. FY 2025-26 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: The average increase in the salaries of employees was 6.00% and the average increase in the managerial remuneration was 6.00%.

3. The Company has 25 permanent Employees on the rolls of Company as on 31st March, 2026.

4. Comparison of the remuneration of the Key Managerial Personnel ("KMP") (Individually and totally) against the performance of the company:

   (i) Aggregate remuneration of Key Managerial Personnel in FY 2025: ₹ 62.68 Lakhs *

   (ii) Total revenue: ₹ 11134.58 Lakhs

   (iii) Remuneration of KMPs (as percentage of revenue): 0.56

   (iv) Profit / (Loss) before tax: ₹ 1399.35 Lakhs

   (v) Remuneration of KMPs (as percentage of PBT): 4.48

* Remuneration of KMPs includes Managing Director / Wholetime Director, Chief Financial Officer and Company Secretary.

5. It is hereby affirmed that the remuneration paid during the year is as per the Nomination and Remuneration Policy of the Company,

   Disclosure under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time.

   A) None of the employee was employed throughout the year who was in receipt of remuneration of more than Rs. 102.00 lakhs per annum.

   B) None of the employee was employed for part of the year who was in receipt of remuneration of more than Rs. 8.50 lakhs per month.

   C) No employee was in receipt of remuneration in the financial year which, in aggregate, or as the case may be, was at a rate which, in aggregate, is in excess of that drawn by the Managing Director(s) and holds by himself or along with his spouse and dependent children, two percent of the equity shares of the Company.

By order of the Board

For and on behalf of **Surat Trade and Mercantile Limited**

Alok P. Shah	**Paresh V. Chothani**
DIN: 00218180	DIN: 00218632
Managing Director	Whole-Time Director

Place: Surat
Date: 12^{th} August, 2026

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 2026

[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, 2026**. 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, 2026** ('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, 2026** 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 as there were no reportable events 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**);

(i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

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

(i) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 and amendments made thereunder ("Listing Regulations").

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

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

1. Related Party Transactions with Mr. Alok P. Shah (DIN: 00218180), Managing Director of the Company for the financial year 2025-26 has exceeded the prescribed limits under the first proviso to Regulation 23 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that

Subject to the aforesaid, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all the Directors. Meetings held at shorter notice are in compliance with the provisions of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that, based on the information provided by the Company, its officers, and authorised representatives during the conduct of the audit and also on the review of quarterly compliance report issued by the Company Secretary/Managing Director, taken on record by the Board of Directors at their meeting(s), in my opinion there are adequate systems and processes and control mechanism commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that there are no specific events/major decisions or activities undertaken in pursuance of the above laws, rules and regulations, guidelines, standards etc., during the Audit Period, having a major bearing on the Company's affairs.

For Jigar Vyas & Associates
Company Secretaries

JIGAR VYAS
Proprietor
FCS No.: 8019 C.P. No.: 14468
UDIN: F008019H001113057
Peer Review Certificate No.:2273/2022

Place: Surat
Date: 12th August, 2026

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

Appendix 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** Company Secretaries
Place: Surat Date: 12th August, 2026		**Jigar Vyas** Proprietor FCS No.: 8019 C.P. No.: 14468 UDIN: F008019H001113057 Peer Review Certificate No.:2273/2022

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 2025-26. 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 2025-26.

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 2025-26 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	12 Months	On arm's length basis and in ordinary course of business.	71.77
2.	Mr. Praful A. Shah (Relative of Director)	Locker Rent	12 Months	On arm's length basis and in ordinary course of business.	0.60
3.	Mr. Alok P. Shah (Managing Director)	Sale of Art & Artifacts	03-06-2025	On arm's length basis and in ordinary course of business.	404.25
4.	Mr. Alok P. Shah (Managing Director)	Sale of Art & Artifacts	26-11-2025	On arm's length basis and in ordinary course of business.	407.00

By order of the Board
For and on behalf of Surat Trade and Mercantile Limited

Alok P. Shah
DIN: 00218180
Managing Director

Paresh V. Chothani
DIN: 00218632
Whole-Time Director

Place: Surat
Date: 12th August, 2026

Annexure – F

REPORT ON CORPORATE GOVERNANCE

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

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices which ensures that the Company meets its obligations and fulfils its responsibilities towards shareholders, employees, government and others. The Company is committed on adopting the best possible practices.

The Company's philosophy of corporate governance aims at the best possible in every sphere of operations consistent with good ethical standards.

BOARD OF DIRECTORS

Composition of the Board

As per requirements of section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), at least 50% of the Board Members should be Independent. There is optimum combination of Executive, Non – Executive and Independent Directors including Woman Director and the Company fulfills the criteria. The Composition of the Board is given hereunder:

Name of Directors	Designation	No. of Shares held as on 31st March 2026	Category	As on 31st March, 2026		
				No. of Directorship in Other Companies	#Committee(s) Position in other Companies	
					Member	Chairperson
Mr. Alok P. Shah	Managing Director	89381990	Promoter-Executive Director	10	0	0
Mr. Suhail P. Shah	Whole-Time Director	56073365	Promoter-Executive Director	10	0	0
Mr. Paresh V. Chothani	Whole-Time Director	0	Non-Promoter-Executive Director	1	0	0
Mr. Deepak N. Shah	Independent Director	0	Non-Executive-Independent Director	0	0	0
Mr. Manish J. Gandhi	Independent Director	0	Non-Executive-Independent Director	0	0	0
Ms. Kruti G. Kothari	Independent Director	0	Non-Executive-Woman Independent Director	0	0	0

 # Only Committee position of Audit Committee and Stakeholders' Relationship Committee have been considered.

Five Board meetings were held during the year on the dates mentioned below:

Dates on which Board Meetings were held	Total strength of Board	No. of Directors Present
27.05.2025	6	6
25.07.2025	6	5
12.08.2025	6	5
13.11.2025	6	5
14.02.2026	6	6

Attendance of each Director present at the Board Meetings and Last Annual General Meeting (AGM) held on 12th September, 2025

Name of Directors	Attendance at Board Meetings held on					
	27.05.2025	25.07.2025	12.08.2025	13.11.2025	14.02.2026	Attendance at the last AGM dated 12.09.2025
Mr. Alok P. Shah	✓	✓	✓	✓	✓	✓
Mr. Suhail P. Shah	✓	✓	✓	✓	✓	✓
Mr. Paresh V. Chothani	✓	✓	✓	✓	✓	✓
Mr. Deepak N. Shah	✓	✓	✓	✓	✓	✓
Mr. Manish J. Gandhi	✓	✓	Leave of Absence	✓	✓	✓
Ms. Kruti G. Kothari	✓	Leave of Absence	✓	Leave of Absence	✓	✓

Directorship in other Listed Companies

Name of Directors	Name of Listed Companies	Category of Directorship
Mr. Alok P. Shah	--	--
Mr. Suhail P. Shah	--	--
Mr. Paresh V. Chothani	--	--
Mr. Deepak N. Shah	--	--
Mr. Manish J. Gandhi	--	--
Ms. Kruti G. Kothari	--	--

Key Board qualifications, expertise and attributes

Following is the list of core skills/expertise/competence of the Directors of the Company

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

Disclosure of relationships between Directors inter-se

Mr. Alok P. Shah and Mr. Suhail P. Shah are siblings. Except for the aforesaid relationship, none of the other Directors are related to any other Director on the Board.

Independent Directors

Confirmation on the independence of the 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: https://www.stml.in

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

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

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

Meeting of Independent Directors

The Independent Directors Meeting was held on 24th March, 2026, which was chaired by Mr. Deepak N. Shah. The said meeting was held without the presence of Non-Independent Directors and members of the management. At the said meeting, the Independent Directors:

(a) reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;

(b) reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non- Executive Directors;

(c) assessed the quality, quantity and timeliness of flow of information between the Management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

(d) Familiarization Programme for Board Members.

(e) To take note of applicable provisions of The Act, and rules made thereunder and to do needful in the matter.

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

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

The details of the Familiarization Programme for Independent Directors for 2025-26 is disclosed on the Company's website at the web link: http://www.stml.in/policies.aspx

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.

COMMITTEES OF THE BOARD

With a view to have more focused attention on business and for better governance and accountability, the Board has constituted various mandatory committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The term of reference of these Committees are determined by the Board and their relevance is reviewed from time to time.

AUDIT COMMITTEE

Terms of Reference

The Audit Committee acts as a link between the Statutory Auditors, Internal Auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its responsibilities of monitoring financial reporting process, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's Statutory and Internal Audit activities. The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Act and Listing Regulations.

Composition

The Audit Committee (as mentioned below) consists of 3 (Three) Members and all the Members of the Committee are Independent Directors. All the members of Audit Committee are financially literate and majority of them are specialized in accounting and financial management. The constitution of Audit Committee meets with the requirements prescribed under Section 177 of the Act and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of Committee Members	Category
Mr. Deepak N. Shah	Chairman, Independent Director
Mr. Manish J. Gandhi	Member, Independent Director
Ms. Kruti Kothari	Member, Independent Director

The Chairman of Audit Committee was present at the last Annual General Meeting to answer the shareholders' queries through video conference.

Company Secretary and Compliance Officer of the Company acts as the Secretary of the Committee.

Meetings

During the year, the Audit Committee has met 5 (Five) times. Attendance of each Committee member at the meetings were as follows:

Name of Committee Members	Category	Attendance at the Audit Committee Meetings held on				
		27.05.2025	12.08.2025	13.11.2025	21.11.2025	14.02.2026
Mr. Deepak N. Shah	Chairman-Non-Executive -Independent Director	✓	✓	✓	✓	✓
Mr. Manish J. Gandhi	Member-Non-Executive - Independent Director	✓	Leave of Absence	✓	✓	✓
Ms. Kruti Kothari	Member-Non-Executive - Independent Director	✓	✓	Leave of Absence	✓	✓

The Internal Auditors and Statutory Auditors attend the meetings, as and when required, depending upon the relevance of the agenda items under consideration. The terms of reference of Audit Committee are in accordance with the section 177 of the Act and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has system and procedures in place to ensure that the Audit Committee mandatorily review:

- Management discussion and analysis of financial condition and results of operations;
- All Related Party Transactions submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditor;
- Internal Audit Reports relating to internal control weaknesses;

- The appointment, removal and terms of remuneration of the Chief Internal Auditor and;
- Statement of deviation, if applicable

The Board has accepted all the recommendations made by the Audit Committee during the financial year under review, wherever applicable. There were no instances during the year where the Board did not accept any recommendation of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE AND REMUNERATION OF MANAGERIAL PERSONNEL AND SENIOR EXECUTIVES

Terms of reference

Remuneration of employees largely consists of basic remuneration and perquisites. The components of total remuneration vary for different cadres and are governed by industry pattern, qualifications and experience of the employee (concerned), responsibilities handled, individual performance etc. The objectives of the Nomination and Remuneration Policy are to motivate employees to excel in their performance, recognize their contribution, and retain talent in the organization and reward merit.

The Nomination and Remuneration Committee shall act in accordance with the terms of reference which inter alia, include:

a) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal;

b) To carry out evaluation of every Director's performance;

c) To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;

d) To formulate the criteria for evaluation of Independent Directors and the Board of Directors;

e) To devise a policy on Board diversity;

f) To recommend/review remuneration of the Managing Director(s), Whole-time Directors and other senior management personnel based on their performance and defined assessment criteria;

g) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

h) For every appointment of an independent director, to evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

    a. use the services of an external agencies, if required;

    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

    c. consider the time commitments of the candidates;

i) #To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;

j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

#The terms of reference at point no. (i) are effective from January 1, 2022.

Composition

The Nomination and Remuneration Committee consists of 3(Three) Non-Executive Independent Directors as mentioned below.

Name of Committee Member	Category
Mr. Deepak N. Shah	Chairman, Independent Director
Mr. Manish J. Gandhi	Member, Independent Director
Ms. Kruti Kothari	Member, Independent Director

Company Secretary and Compliance Officer of the Company acts as the Secretary of the Committee.

The appointments and remuneration of all the Managerial Personnel and top executives are decided on the recommendation of the Committee.

Meetings

During the year, the Nomination and Remuneration Committee has met 1(One) time. Attendance of each Committee member at the meetings were as follows:

Name of Committee Members	Category	Attendance at the Nomination and Remuneration Committee Meeting held on 27.05.2025
Mr. Deepak N. Shah	Chairman, Independent Director	✓
Mr. Manish J. Gandhi	Member, Independent Director	✓
Ms. Kruti Kothari	Member, Independent Director	Leave of Absence

The Chairman of Nomination and Remuneration Committee was present at the last Annual General Meeting to answer the shareholders' queries through video conference.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS & SENIOR EXECUTIVES AND THEIR REMUNERATION

The remuneration of Managing Director and Other Executive Directors (Whole-Time Directors) is decided as per the applicable Schedule and Sections of the Act, as amended from time to time on recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors subject to the approval of shareholders and other authority(ies), if required.

The remuneration of Senior Executives is also decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee and also subject to the sanction of shareholders, if any. Senior Executive holds Place of Profit.

The selection and appointment of the Whole Time Directors, other directors and Top Executives is done on the basis of their experience, qualifications and knowledge of the concerned field.

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

Performance evaluation criteria for Independent Directors:

All the Independent Directors of the Company have efficiently played their roles and discharged their responsibilities for the benefit of the Company as a whole. Based on formal and informal appraisals, all the Independent Directors have played vital role in ensuring good corporate governance efficiency.

DETAILS OF REMUNERATION PAID / PAYABLE TO EXECUTIVE AND NON-EXECUTIVE DIRECTORS

Remuneration of Whole Time / Executive Directors Remuneration paid/accrued to the Executive Directors for the financial year ended March 31, 2026 is as follows-

Name of Managing Director	Salary (per month)	Perquisites	Commission	Incentives	Other	Total (per month)
Mr. Alok P. Shah	40,000	-	-	-	-	40,000
Mr. Suhail P. Shah	25,000	-	-	-	-	25,000
Mr. Paresh V. Chothani	1,20,378	-	-	-	-	1,20,378

Mr. Alok P. Shah was re-appointed as Managing Director for a period of 5 years with effect from 1st July, 2025 at the 79th Annual General Meeting.

Mr. Suhail P. Shah was re-appointed as Whole-Time Director in the Extra-ordinary General Meeting for the Financial Year 2026-27 held on 10th August, 2026 for a period of 5 years with effect from 1st September, 2026. He was initially appointed for a period of 3 years through Postal Ballot Process vide Notice dated 11th August 2023 with effect from 1st September, 2023.

Mr. Paresh V. Chothani was re-appointed as Whole-Time Director for a period of 5 years with effect from 26th November, 2024 at the 78th Annual General Meeting.

All of the above executive directors are eligible for re-appointed upon the completion of their respective tenure.

Remuneration of Non-Executive Directors

Non-Executive Directors including Independent Directors are paid sitting fees only for attending the meetings of the Board of Directors and Committees thereof within the limits prescribed under the Act and Articles of Association of the company. No criteria of making payment to Non-Executive Directors is required to be fixed as they are paid only sitting fees. Details of sitting fees paid to Non-Executive Directors during financial year 2025-26 are as follows:

Name of Directors	Sitting Fees (Amount in ₹)
Mr. Deepak N. Shah	2,25,000
Mr. Manish J. Gandhi	1,80,000
Ms. Kruti Kothari	1,60,000
Total	**5,65,000**

The company has not undertaken any transaction with any of the above Non-Executive Directors except reimbursement of actual travelling expenses incurred for attending Board Meeting(s)/Committee Meeting(s) and/or Annual General Meeting during the year ended March 31, 2026.

The Company does not have any Stock Option Scheme.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of reference

Stakeholders Relationship Committee is constituted in line with the provisions of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

1) To consider and resolve the grievances of security holders.

2) To consider and approve issue of share certificates, transfer, transmission of securities etc.

The Stakeholders Relationship Committee ("Committee") consists of the following Directors:

Name of Committee Members	Category
Mr. Manish J. Gandhi	Chairman, Independent Director
Mr. Deepak N. Shah	Member, Independent Director
Mr. Paresh V. Chothani	Member, Executive Director (Whole-Time Director)

This Committee also looks into the grievances lodged by the Shareholders.

The Chairperson of the Committee, Mr. Manish J. Gandhi was present at the last Annual General Meetings to answer the shareholders' queries.

The meetings of the Committee was held on 29.07.2025.

Name of Committee Members	Category	Attendance at the Nomination and Remuneration Committee Meeting held on 29.07.2025
Mr. Manish J. Gandhi	Chairman, Independent Director	✓
Mr. Deepak N. Shah	Member, Independent Director	✓
Mr. Paresh V. Chothani	Member, Executive Director (Whole-Time Director)	✓

Investors Grievance

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

Details of investor complaints received and redressed to the satisfaction during the Financial Year 2025-26 are as follows:

Sr No.	Details/Particulars of Complaints	No. of Complaints received during the FY 2025-26
1.	No. of Complaints pending at the beginning of the Financial Year	0
2.	No. of Complaints received during the Financial Year	82
3.	No. of Complaints resolved during the Financial Year	82
4.	No. of Complaints pending at the end of the Financial Year	0
5.	No. of Complaints not resolved to the satisfaction of the 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. Company Secretary and Compliance Officer of the Company is designated as Secretary for the Committee.

During the Financial Year 2025-26, Ms. Mahek Jaju, Company Secretary and Compliance Officer of the Company, was designated as the Compliance Officer of the Committee until her resignation on 30th April, 2026. Subsequently, Ms. Ankita Prasiddha Shroff, Company Secretary and Compliance Officer of the Company, was designated as the Compliance Officer of the Committee with effect from 26th May, 2026.

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.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition of CSR Committee

The CSR Committee comprises of the following members as on March 31, 2026:

Name of Committee Members	Category
Mr. Deepak N. Shah	Chairman, Independent Director
Mr. Manish J. Gandhi	Member, Independent Director
Mr. Paresh V. Chothani	Member, Executive Director (Whole-Time Director)

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

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

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

Terms of Reference

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

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

Meeting and Attendance thereat

The CSR Committee met on 24th March 2026 to review the Corporate Social Responsibility Policy.

Name of Committee Members	Category	Attendance at the Nomination and Remuneration Committee Meeting held on 24.03.2026
Mr. Deepak N. Shah	Chairman, Independent Director	✓
Mr. Manish J. Gandhi	Member, Independent Director	Leave of Absence
Mr. Paresh V. Chothani	Member, Executive Director (Whole-Time Director)	✓

OTHER COMMITTEES OF DIRECTORS

Management Committee of the Board

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

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

SENIOR MANAGEMENT:

Apart from the Board of Directors, the Company has appointed Mr. Chandresh S. Punjabi as the Chief Financial Officer and Ms. Ankita Prasiddha Shroff as the Company Secretary and Compliance Officer of the Company.

During the Financial Year 2025-26, there was a change in the position of Company Secretary and Compliance Officer consequent to the resignation of Ms. Mahek Jaju with effect from 30th April, 2026. Subsequently, Ms. Ankita Prasiddha Shroff was appointed as the Company Secretary and Compliance Officer of the Company with effect from 26th May, 2026.

GENERAL BODY MEETINGS

Details about location, dates and details of the Special Resolutions passed at the previous three AGMs are as under:

Financial Year	Meeting and Venue	Day, Date and Time	Special Resolutions passed
2024-25	Meeting held through Video Conferencing/Other Audio-Visual Means (VC/OAVM)	Friday, 12th September, 2025 at 03:30 P.M.	NIL
2023-24	Meeting held through Video Conferencing/Other Audio-Visual Means (VC/OAVM)	Tuesday, 6th August, 2024 at 03:30 P.M.	Re-appointment of Ms. Kruti Kothari (DIN: 08502921) as Independent Directors of the Company
2022-23	Meeting held through Video Conferencing/Other Audio-Visual Means (VC/OAVM)	Friday, 11th August, 2023 at 03:30 P.M.	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

80th Annual General Meeting

Date	22nd September, 2026
Time	03:30 P.M. (IST)
Venue	Through Video Conferencing and/or Other Audio Visual Means (VC/OAVM). Deemed venue of the AGM is Registered Office of the Company

Payment of Dividend:

Company has not declared any dividend during the Financial Year under review.

Financial Calendar for the FY 2026-27

Unaudited First Quarter Financial Results	On or before 14th August, 2026
Unaudited Second Quarter Financial Results	On or before 14th November, 2026
Unaudited Third Quarter Financial Results	On or before 14th February, 2027
Audited Results for the Financial Year 2026-27	During April/May, 2027
Annual General Meeting for the year ending 31st March, 2027	On or before September 30, 2027

Whether any special resolution was passed through Postal Ballot last year – **No**

Whether any Special Resolution is proposed to be conducted through Postal Ballot this year – **As on date no Special Resolution is proposed to be passed**

MEANS OF COMMUNICATION:

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

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

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.

PAYMENT OF LISTING FEES:

Equity Shares of the Company are listed on BSE Limited only and accordingly, listing fees as prescribed have been paid to the said stock exchange up to 31st March 2026

Address of the BSE Limited

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001
Phones : 91-22-22721233/4, 91-22-66545695 (Hunting)
Fax : 91-22-22721919

CIN: L67120MH2005PLC155188

MARKET PRICE DATA

Monthly High & Low market price of Equity Shares of the Company during financial year 2025-26 at the BSE Limited are as under:

Month	High (Rs.)	Low (Rs.)
Apr-25	7.14	5.8
May-25	7.4	5.81
Jun-25	7.14	6.06
Jul-25	7.53	6.17
Aug-25	6.86	5.8
Sep-25	6.68	5.41
Oct-25	6.36	5.86
Nov-25	6.12	4.73
Dec-25	5.69	4.93
Jan-26	5.3	4.4
Feb-26	5.61	4.16
Mar-26	4.68	3.17

Source: Website of BSE

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2026:

Distribution of Shareholding as on 31/03/2026					
Sl. no.	**Category (Shares)**	**No. of Holders**	**% To Holders**	**No. of Shares**	**% To Equity**
1	1 - 500	96049	84.87	10582271	4.77
2	501 - 1000	7751	6.85	6331755	2.85
3	1001 - 2000	4403	3.89	6699417	3.02
4	2001 - 3000	1655	1.46	4209197	1.90
5	3001 - 4000	785	0.69	2811571	1.27
6	4001 - 5000	710	0.63	3362654	1.51
7	5001 - 10000	1063	0.94	7851676	3.54
8	10001 - 20000	446	0.39	6172728	2.78
9	20001 and above	314	0.28	174043171	78.38
	TOTAL:	**113176**	**100.00**	**222064440**	**100.00**

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2026:

SR No	Description	Total Shares	% Equity
1	PROMOTER GROUP	1000	0.00
2	PROMOTERS	145456397	65.50
3	PROMOTERS BODIES CORPORATE	6547520	2.95
4	BANKS	500	0.00
5	KEY MANAGEMENT PERSONNEL	50	0.00
6	RESIDENT INDIVIDUALS	60855354	27.40
7	NON RESIDENT INDIAN NON REPATRIABLE	226392	0.10
8	NON RESIDENT INDIAN REPATRIABLE	1474678	0.66
9	BODIES CORPORATES	6154220	2.77
10	H U F	1348329	0.61
	Total:	**222064440**	**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 must open a demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form and submit the same along with the Share Certificate(s) to the DP. The DP will allocate a demat request number and shall forward the request physically and electronically, through NSDL/CDSL to the R&T Agent. On receipt of the demat request, both physically and electronically and after verification, the Shares are dematerialized, and an electronic credit of shares is given in the account of the Shareholder. All the share related work is being undertaken by the company's Registrar & Transfer Agent.

As on 31st March, 2026, out of 222064440 Equity Shares aggregating to 100 % of the total Equity Capital as on 31/03/2026 of which 1.00 % (22,21,341 Equity Shares) of total equity capital is held in Physical form, 62.13% (13,79,70,487 Equity Shares) of total equity capital is held with NSDL and 36.87% (8,18,72,612 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. In view of the aforesaid, Members who are holding shares in physical form are hereby requested to convert their holdings in electronic mode to avail various benefits of dematerialization.

REGISTRAR AND SHARE TRANSFER AGENTS:

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

OTHER INFORMATION / DISCLOSURES

Affirmation on Code of Conduct:

The Listing Regulations requires listed companies to lay down a code of conduct for directors and senior management, incorporating duties of directors as laid down in the Act. Accordingly, the Company has Board approved code of conduct for all Board members and Senior management of the Company. The said code has been placed on the Company's website at www.stml.in All the Board members and Senior Managerial Personnel have affirmed Compliance with the Code for the year ended 31st March, 2026. A declaration to this effect signed by the Mr. Alok P. Shah (DIN: 00218180), managing Director of the Company forms part of this Report.

Dividend Distribution Policy:

Company is not required to formulate Dividend Distribution Policy as required under Regulation 43A of the SEBI Listing Regulations

Non-Compliance of Regulations relating to Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing regulations), if any.

All the requirements of Corporate Governance Report of sub-paragraph (2) to (10) Para C Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been duly complied with.

Maximum Tenure of Independent Directors

The maximum tenure of Independent Directors is in accordance with the Act and the Listing Regulations.

Formal Letter of Appointment of Independent Directors

The Company has issued formal letter of appointment to independent directors in the matter provided under the Act. As per Regulation 46(2) of the Listing regulations, the terms and conditions of appointment of Independent Directors are placed on the Company's website at www.stml.in

Related Party Transactions

All Related Party Transactions which were entered during the year 2025-26 were on an arm's length basis and in the ordinary course of business under the Act except the following:

Related Party Transactions with Mr. Alok P. Shah(DIN: 00218180), Managing Director of the Company for the financial year 2025-26 has exceeded the prescribed limits under the first proviso to Regulation 23 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Further management has stated that during the internal review process conducted in July 2026, the Company identified an inadvertent non-compliance with the first proviso to Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Immediately upon identification of the non-compliance, the Company informed the Secretarial Auditor and initiated corrective measures. Accordingly, the Audit Committee and the Board of Directors, at their respective meetings held on 14 July 2026, approved and ratified the concerned related party transaction(s). Thereafter, the Members of the Company, at the Extra-Ordinary General Meeting held on 10 August 2026 during the financial year 2026–27, also approved and ratified the said transaction(s). Pursuant to the shareholders' approval, the Company voluntarily filed a suo motu Settlement Application with the Securities and Exchange Board of India (SEBI) in accordance with the applicable provisions governing settlement proceedings.

The details of the transactions entered with Related Party forms part of AOC-2 and was placed before the Audit Committee for noting and review on a quarterly basis. The statement showing disclosure of transactions in accordance with IND AS 24 issued by The Institute of Chartered Accountants of India forms part of the Annual Report and is given under Note 34 of the Annual Accounts for the Financial Year 2025-26. The policy on Related Party Transactions is hosted on the website of the Company at http://stml.in/AnnualReturn.aspx

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 at http://stml.in/policies.aspx

MD/CEO/CFO Certification

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

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

Compliance officer

In accordance with Regulation 6 of the Listing Regulations, the Board has appointed Ms. Ankita Prasiddha Shroff, Company Secretary as the Compliance Officer of the Company on 26th May, 2026. She is authorised to approve share transmission and transposition; issue duplicate share certificates in lieu of lost or mutilated share certificates, based on requests received from shareholders, after performing due diligence as may be deemed necessary. under Regulation 6 of the SEBI Listing Regulations, 2015 and other applicable SEBI Regulations and Rules.

Risk Management

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

Details of Non-Compliance, Penalties and Strictures

The Company has complied with all the applicable legal requirements and no other penalty or stricture has been imposed on the Company by any of the stock exchanges, SEBI or any other statutory authority, in any matter related to capital markets, during the last three years except as stated below during the last 3 Financial Years:

i. Non-submission of the voting results within the period provided under this regulation Regulation 44(3) of SEBI (LODR) Regulations, 2015. Fine of Rs. 10,000+18%GST was imposed by BSE.

ii. An Administrative Warning letter for non-compliance of SEBI(LODR) Regulation 2015 was issued on February 05, 2024, to which the Company replied suitably.

Further during the period under review, Related Party Transactions with Mr. Alok P. Shah(DIN: 00218180), Managing Director of the Company for the financial year 2025-26 has exceeded the prescribed limits under the first proviso to Regulation 23 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Further management has stated that during the internal review process conducted in July 2026, the Company identified an inadvertent non-compliance with the first proviso to Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Immediately upon identification of the non-compliance, the Company informed the Secretarial Auditor and initiated corrective measures. Accordingly, the Audit Committee and the Board of Directors, at their respective meetings held on 14 July 2026, approved and ratified the concerned related party transaction(s). Thereafter, the Members of the Company, at the Extra-Ordinary General Meeting held on 10 August 2026 during the financial year 2026–27, also approved and ratified the said transaction(s). Pursuant to the shareholders' approval, the Company voluntarily filed a suo motu Settlement Application with the Securities and Exchange Board of India (SEBI) in accordance with the applicable provisions governing settlement proceedings.

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 and no person was denied the access to the Audit Committee.

Preventing Conflict of Interests

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

Insider Trading Code

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

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

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

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

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

Depository Services:

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

Payment of Depository Fees:

Annual Custody/ Issuer fees as prescribed has been paid by the Company to National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") up to 31st March, 2026

Stock Exchange Intimations:

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

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

Letters and Reminders to Shareholders:

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

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

In compliance of the aforesaid circular, the Company 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 2026. Accordingly, requirement of obtaining credit rating is not applicable.

Commodity price risk / Foreign Exchange Risk and Hedging Activity

The company has commenced the new business activity from the FY 2022-23 viz trading in commodities and other commodity related business as part of its main object of the Memorandum of Association.

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.

Plant Location:

Considering the nature of the business activities carried on by the Company, the Company does not have any manufacturing plant.

Details of Utilisation of funds raised through preferential allotment/qualified institutional placement/ GDRs/ADRs/ Warrants/any other fund raising activities as specified under Regulation 32(7A) of the listing regulations

The Company has, during the year, not raised any funds through preferential allotment or qualified institutions placement as specified under the Listing Regulations.

Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of Complaints filed during the Financial Year 2025-26	NIL
Number of Complaints disposed-off during the Financial Year 2025-26	NIL
Number of Complaints pending during the Financial Year 2025-26	NIL

Disclosure of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Regulations:

Regulation No	Particulars7	Compliance Status (Yes/ No/NA)
17	Board of Directors	Yes
17A	Maximum Number of Directorship	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes*
24	Corporate Governance Requirements with respect to Subsidiary Companies	NA
24A	Secretarial Audit and Secretarial Compliance Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to employees including senior management, key managerial personnel, directors and promoters	Yes
27	Other Corporate Governance Requirements	Yes
46(2) (b) to (i)	Website	Yes

**Note: Related Party Transactions with Mr. Alok P. Shah(DIN: 00218180), Managing Director of the Company for the financial year 2025-26 has exceeded the prescribed limits under the first proviso to Regulation 23 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*

Further management has stated that during the internal review process conducted in July 2026, the Company identified an inadvertent non-compliance with the first proviso to Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Immediately upon identification of the non-compliance, the Company informed the Secretarial Auditor and initiated corrective measures. Accordingly, the Audit Committee and the Board of Directors, at their respective meetings held on 14 July 2026, approved and ratified the concerned related party transaction(s).

Thereafter, the Members of the Company, at the Extra-Ordinary General Meeting held on 10 August 2026 during the financial year 2026–27, also approved and ratified the said transaction(s). Pursuant to the shareholders' approval, the Company voluntarily filed a suo motu Settlement Application with the Securities and Exchange Board of India (SEBI) in accordance with the applicable provisions governing settlement proceedings.

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: einward.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, 6th 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:

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

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

Mr. Jigar Vyas of M/s Jigar Vyas & Associates, Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2025-26. 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.

Certificates from Company Secretary in Practice:

The following certificates as issued by Mr. Jigar Vyas of M/s Jigar Vyas & Associates, Practicing Company Secretaries, Surat are enclosed to this Report:

(a) Compliance Certificate regarding compliance of conditions of Corporate Governance; and

(b) Certificate that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority.

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
Familiarisation 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

Compliance with the Mandatory and Non-mandatory Requirements:

The Company has adopted and complied with mandatory requirements of the Listing Regulations. Some of the following non-mandatory requirements have also been complied with.

Non-mandatory requirements:

(i) **Reporting of Internal Auditor**

Internal Auditors of the Company submit their reports directly to the Audit Committee regularly.

(ii) **Audit Qualification / Modified Opinion(s)**

There is no Audit Qualification / Modified Opinion(s) in the Audit Reports by the Auditor.

(iii) **Disclosure of Accounting Treatment:**

In the preparation of the financial statements, the Company has followed the applicable Indian Accounting Standards (Ind AS) issued by the Institute of Chartered Accountants of India. The significant accounting policies, which are constantly applied, are set out in the Annexure to Notes on Accounts.

(iv) Shareholder Rights:

Since the financial results are published in the newspapers and also posted on the Company's website, but are not being sent to the shareholders.

(V) Risk Management:

Business risk evaluation and management is an ongoing process within the Company. During the year under review, a detailed exercise of Risk Assessment and Management was carried out covering the entire gamut of business operations and the Board was informed of the same.

(VI) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:

The Company does not have a regular Chairperson. Accordingly, the requirement relating to the separation of the posts of Chairperson and Managing Director or Chief Executive Officer does not arise.

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:

(₹ In Lakh)

Payment to Statutory Auditors	FY 2025-26
Statutory Audit Fees	5.25
Fees for Limited Review Report	3.75
Certification Fees	0.00
Reimbursement of out-of-Pocket Expenses	0.54
Total	**9.54**

DISCLOSURES WITH RESPECT TO LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED:

No such reportable event during the period under review.

OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

Not Applicable.

DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITY:

There were no Agreements entered which are binding on the Company as referred under Clause 5A of Paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

By the order of the Board

For **SURAT TRADE AND MERCANTILE LIMITED**

Mr. Alok P. Shah	**Mr. Paresh V. Chothani**
DIN: 00218180	DIN: 00218632
Managing Director	Whole-Time Director

Place: Surat
Date: 12th August, 2026

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, 2026 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.

(B) 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.

(C) 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.

(D) 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

Surat

26th May, 2026

Alok P. Shah	**Chandresh S. Punjabi**
Managing Director	C.F.O.
DIN: 00218180	

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

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

This is to confirm and certify that the Company has adopted a Code of Conduct for Board member and Senior Management Personnel. As provided under sub-regulation (3) of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board member and Senior Management have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March, 2026.

For Surat Trade and Mercantile Limited

Alok P. Shah
Managing Director
DIN: 00218180

Place: Surat
Date: 26th May, 2026

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 disclosures provided by the (as enlisted in Table A) of **SURAT TRADE AND MERCANTILE LIMITED** having **CIN L17119GJ1945PLC000214**; 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'), 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 enlisted in Table A) 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 for the Financial Year ended 31st March, 2026.

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. Manish J. Gandhi	10671306	27/06/2024
5	Ms. Kruti Kothari	08502921	09/07/2019
6	Mr. Deepak N. Shah	07356807	11/08/2022

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

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2026.

For Jigar Vyas & Associates
Company Secretaries

Jigar Vyas
Proprietor
FCS No.: 8019 C.P. No.: 14468
UDIN: F008019H000686983
Peer Review Certificate No.:2273/2022

Place: Surat
Date: 26th June, 2026

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

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

I have examined the compliance of conditions of Corporate Governance by **SURAT TRADE AND MERCANTILE LIMITED** (the "Company") bearing CIN L17119GJ1945PLC000214 for the Financial year ended 31st March 2026 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

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

1. Related Party Transactions with Mr. Alok P. Shah (DIN: 00218180), Managing Director of the Company for the financial year 2025-26 has exceeded the prescribed limits under the first proviso to Regulation 23 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For Jigar Vyas & Associates
Company Secretaries

Jigar Vyas
Proprietor
FCS No.: 8019 C.P. No.: 14468
UDIN: F008019H001013771
Peer Review Certificate No.:2273/2022

Place: Surat
Date: 4th August, 2026

Annexure - G

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

FOR THE YEAR ENDED 31ST MARCH, 2026

INDUSTRY STRUCTURE AND DEVELOPMENTS

INDIAN ECONOMIC OVERVIEW

India’s economy grew by a better-than-expected 7.8% in the March quarter from a year earlier, belying fears of the West Asia war hurting the economy, lifting FY26 growth to 7.7%. Growth was supported by solid expansion in investment and private consumption. The numbers suggest that the economy weathered the impact of the West Asia conflict in the final quarter.

India is expected to become the world’s third-largest economy by 2031, according to the latest International Monetary Fund (IMF) data, even as it is projected to rank fourth by 2027. Despite slipping to sixth place in 2025 due to a stronger dollar and GDP base year revision, it remains among the fastest-growing major economies.

Further, the Reserve Bank of India in June 26, lowered its GDP forecast for FY27 to 6.6% from the 6.9%, estimated in April 26, citing elevated energy and other commodity prices, as well as continued supply disruptions arising from the conflict in West Asia, which are likely to weigh on economic activity. According to the IMF’s latest World Economic Outlook, growth is expected to remain steady at 6.5% in 2027-28.

According to IMF global growth is forecast at 3.1% in 2026 and 3.2% in 2027, slower than the 3.4% recorded in 2025. This moderation largely reflects disruptions from the West Asia conflict, partly offset by recent strong data and lower tariff rates. The risks remain tilted to the downside due to geopolitical tensions, trade conflicts and financial pressures, though upside potential exists from artificial intelligence-led growth, reforms and easing trade tensions.

India's steady inflation trajectory and rising per capita income are fueling higher investible surpluses, which in turn are expanding the retail and domestic institutional participation in financial markets.

Despite a challenging global environment marked by geopolitical tensions and inflationary pressures, India’s economy is expected to remain resilient in 2026-27, supported by strong domestic demand, healthy balance sheets, and sustained public investment.

INDUSTRY SCENARIO

Geopolitical uncertainties, central bank bullion buying, and shifting supply-demand dynamics have heightened the importance of Gold and Silver both as safe-haven assets and industrial components.

The growing integration of domestic markets with global bullion hubs ensures better price discovery and risk-management capabilities for the Company's trading operations. The Indian financial sector continues to experience exponential growth driven by rising retail participation and wealth creation. This strong macroeconomic foundation provides a conducive environment for both commodity trading and financial asset management.

The asset management and especially alternative investment landscapes are experiencing exponential growth in India. Rising financial literacy and a generational shift in wealth management are directing massive domestic capital into various Mutual Funds and Alternative Investment Funds (AIFs).

The AIF sector, in particular, has become a preferred route for high-net-worth individuals (HNIs) seeking alpha-generating and diversified investment avenues. This paradigm shift supports the Company’s strategy of deploying surplus capital into professionally managed portfolios and specialized funds to achieve optimal risk-adjusted returns.

The duration of the Strait of Hormuz disruption remains the single most consequential variable for India’s external and price outlook. Should normalization occur soon, the conditions for a broad-based recovery, supported by strong services exports and sustained investment commitments, are in place.

Given the inherent volatility of commodity markets and financial securities, the Company remains committed to robust risk management practices. Our exposure is continuously monitored against predefined limits. The Company utilizes robust hedging mechanisms—including derivatives —to safeguard its physical inventory against adverse price movements.

FINANCIAL HIGHLIGHTS

The Audited Financial Statements of your Company as on 31st March 2026, are prepared in accordance with the relevant applicable Indian Accounting Standards (“Ind AS”) and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and the provisions of the Companies Act, 2013 (“Act”).

Your Company's financial performance for the year ended 31st March 2026 is summarized below:

(Rs. in Lakhs)

Particulars	2025-26	2024-25
Revenue from Operations	11134.58	6863.70
Other income	1378.56	1482.44
Total Income	12513.14	8346.14
Operating Profit / EBITDA (including other income)	1471.76	996.35
Less: Finance Costs	15.18	16.11
Profit before Depreciation and Amortisation Expenses	1456.58	980.24
Less: Depreciation and Amortisation Expenses	57.23	51.65
Profit before tax	1399.35	928.59

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

During FY25-26, your Company delivered a robust performance. Revenue from operations was Rs. 11134.58 Lakhs compared to Rs. 6863.70 Lakhs in the previous fiscal year.

During FY25-26, Profit before tax rose to Rs. 1399.35 Lakhs from Rs.928.59 Lakhs in the previous year.

Your Company operates primarily in commodity trading and other related activities. During FY25-26, it remained the biggest operational driver of the Company. The Company achieved an income from commodity trading of Rs 10625.33 Lakhs as compared to Rs 6863.70 Lakhs during FY24-25.

Your Company successfully leveraged the ongoing fluctuations and volatility in global commodity markets to maximize profitability with prudent hedging strategies.

During the year under review, the Company actively participated in the trading of metals, in particular gold and silver. Business volume increased substantially as yields improved compared to the previous year. There was significant volatility in commodity prices in the international as well as domestic market through the year, which materially increased during the Iran war at the end of FY26 owing to supply chain disruption, attacks on energy infrastructure in the Middle East etc. This volatility however enabled the Company to improve returns while minimizing risk owing to its strategic hedging practices using derivatives on recognized exchanges.

The Company's profit was also boosted by the sale of artworks in FY25-26.

The Company deploys its surplus liquidity into a curated portfolio of financial instruments to maximize risk-adjusted returns and ensure capital preservation.

For this purpose, the Company maintains a diversified portfolio of investments in equities, debt, including in various mutual funds and AIFs. This, we believe is important in a volatile, uncertain environment.

Total earnings from investment activities, which comprises of dividends and realized/unrealized gains and income from investment in AIF etc., declined at Rs.1378.56 Lakhs during FY25-26 compared to Rs 1482.44 Lakhs in the previous year. This was primarily on account of lower returns in the listed financial markets. Equity and Debt portfolios were influenced by monetary policies, currency movements, U.S. trade policies, fluctuating oil prices due to escalating geopolitical tensions, foreign portfolio outflows, currency concerns, perceived risks to corporate earnings and economic growth etc.

During FY 25-26, the income from AIF investment increased to Rs. 924.40 Lakhs as compared to Rs.805.51 Lakhs in FY24-25. The total asset value under AIFs at the end of FY25-26 also increased to Rs. 9542.07 Lakhs as compared to Rs. 7745.77 Lakhs for FY24-25.

During FY25-26, total income (excluding AIF) from investment activities, including dividends and realized/ unrealized gains etc. declined at Rs.454.16 Lakhs compared to Rs 676.93 Lakhs earned in the previous year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains an adequate system of internal controls aligned with the requirements of Section 134(5)(e) of the Act and commensurate with the size and the nature of its commodity trading business. This ensures that all transactions are authorized, recorded, and reported correctly. The scope includes regular internal audits, strict adherence to exchange margin requirements, and comprehensive tracking of physical-to-derivative position reconciliations.

The Audit Committee, composed of professionally qualified Directors, plays a pivotal role in ensuring the integrity of financial and operational controls. It actively engages with the Statutory Auditors, Internal Auditors and Management to oversee and strengthen the Internal Control environment.

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

RESOURCES AND LIQUIDITY

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

There was no outstanding term loan at the beginning or at the end of financial year 2025-26. 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.

The Company continues to demonstrate disciplined capital management.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

There are no material developments in human resources/ industrial relations front during the year under review.

Number of Employees as on 31.03.2026

1. Male: 22
2. Female: 03
3. Others: 0

OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

The growing acceptance of gold and silver as essential safe-haven assets, combined with the expansion of organized commodity exchanges, presents significant scaling opportunities in physical and derivative trading. Furthermore, our exposure to AIFs offers access to high-growth private market investment opportunities not available through standard public equities.

Commodities are inherently volatile and risky assets; however, the Company employs a robust risk management framework to mitigate potential losses arising from price volatility and other market risks during its relatively short trading horizon. This includes hedging, product diversification where possible, etc. The Company's risk management policies and procedures are reviewed and updated periodically to adapt to changing market dynamics. While we perceive risks in the commodity business to be low, the following risks may be noted:

1. Mark-market risk: while the transaction is open, due to volatility in the prices, additional margin or mark-to- market funds may be required which would impact the yield.
2. Exchange counter party risk: When we sell a commodity on an exchange platform, the counter party is an Exchange (MCX/NCDEX). Yet, these exchanges are highly regulated by SEBI, so we do not see material risk of default, However, if there is settlement failure at the exchange level and if it is unable to honour the pay-out against the sale transaction it would impact returns.

The portfolio of AIFs and Mutual Funds is exposed to market risk. The Company mitigates this by diversifying across fund managers, asset classes, and keeping a stringent vigil on the risk-management and valuation frameworks of the respective funds.

According to RBI, a prolonged West Asia conflict represents a key downside risk to India's economic outlook, even as it projected a lower Gross Domestic Product (GDP) growth of 6.6% for 2026-27. The impact of the conflict likely remains contained in the near term but warned that an escalation could derail India's growth trajectory.

There is high uncertainty in the assumptions made for projections of both inflation and growth on account of several reasons - the duration of the conflict and the disruption in supply chains, the intensity and geographical spread of monsoons and their impact on energy, food and other commodity prices.

The evolving West Asia crisis represents both a significant supply shock and a potential demand shock. However, most high-frequency indicators up to April 2026 suggest that domestic demand and overall economic activity in India have remained relatively resilient so far, with emerging signs of stress.

The Company will continue to leverage its robust hedging strategies to mitigate raw material price risks. Our treasury and investment activities will focus on generating risk-adjusted yields while navigating market volatility.

SEGMENT-WISE ANALYSIS OR PERFORMANCE

The Company primarily operates in a single reportable business segment, which is Commodity Trading and other commodity-related activities. In addition to its core trading operations, the Company actively manages its surplus funds through strategic investments in Mutual Funds and Alternative Investment Funds (AIFs).

Pursuant to Accounting Standard 17 on Segment Reporting / Ind AS 108, since the Company's non-trading investment activities do not meet the quantitative thresholds to be treated as a separate reportable segment, the entire business operations of the Company are considered as a single operating segment.

Detailed financial information pertaining to the Company's revenue from these operations and its investments is provided in the Notes to the Financial Statements forming part of this Annual Report.

BUSINESS OUTLOOK

Going forward, India's growth outlook remains positive, though the West Asia conflict and the attendant risks of elevated energy prices, supply chain disruptions, financial market volatility, uncertainty surrounding global trade policies and weather-related disruptions could pose headwinds to growth and inflation in the short run.

One needs to keep an eye on the evolving geopolitical situation in West Asia and its implications for the Indian macroeconomic outlook, especially the growth - inflation dynamics.

Gold is expected to sustain its appeal as a safe-haven asset, primarily driven by institutional and central bank buying, along with shifting global monetary policies. Silver is anticipated to exhibit a dual advantage; retaining its status as a precious metal hedge while benefiting from its growing industrial demand (e.g., electronics and green energy).

Over the longer term, trade growth is expected to be supported by the Free Trade Agreements (FTAs). The World Bank highlighted that India's FTAs with the EU and the United Kingdom could boost consumption and real incomes across all income groups.

To be sure, economists expect the impact of the war to start showing up in economic data over the coming months. The Government seems committed to power ahead with its Reform Express, implementing decisive policy measures to ensure positive economic momentum amid global challenges.

Driven by sustained domestic consumption, significant infrastructure capital expenditure, and supportive monetary policies by the Reserve Bank of India (RBI), the nation is looking to be one of the fastest-growing major economies globally.

The Company remains optimistic about the long-term prospects of commodity trading, despite the inherent volatility, increased demand, potential price increases, or regulatory changes.

KEY FINANCIAL RATIOS

As required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, is as under:

Sr. No.	Particulars	FY 2025-26	FY 2024-25	% variance	Reason for variance
1.	Current Ratio (times)	39.76	92.75	-57.13%	Decrease in Inventory
2.	Operating Profit Margin Ratio	2.51	2.04	0.47%	Increase in turnover and better spread
3.	Net Profit Margin Ratio (%)	10.16	16.99	-40.20%	Decrease due to higher turnover and lower return
4.	Return on Net Worth (%)	6.43	4.33	48.50%	Increase in PBT due to sale of Art & Artifacts
5.	Inventory Turnover (times)	11.84	4.26	177.93%	Higher turnover during the year and Nil Inventory at year end

Note: The Debtors Turnover Ratio, Interest Coverage Ratio and Debt-Equity Ratio are not applicable to the Company, as the Company does not have any trade receivables, borrowings or debt.

By order of the Board
For and on behalf of Surat Trade and Mercantile Limited

Alok P. Shah
DIN: 00218180
Managing Director

Paresh V. Chothani
DIN: 00218632
Whole-Time Director

Place: Surat
Date: 12th August, 2026

INDEPENDENT AUDITOR'S REPORT

To the members of SURAT TRADE AND MERCANTILE 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, 2026, the Statement of Profit and Loss, (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and Notes to the Standalone Financial Statements, including a summary of material accounting policies and other explanatory information. (Hereinafter collectively referred as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended (hereinafter referred as "Ind AS") and other accounting policies generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred as "SAs") specified Under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's responsibilities* for the audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2026. 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
Revenue Recognition: For the year ended March 31, 2026, the company's standalone financial statements include revenue of Rs.11,134.58 Lakhs generated from trading in commodities and other commodities related activities and other operating revenue.	**Our audit procedures in respect of this area include but are not limited to:** • assessed the design and operating effectiveness of the Company's controls around revenue recognition and conducted tests to verify its operational effectiveness. • Read terms of the contracts and verified accuracy of sales recognition;

Key Audit Matter	Auditor's Response
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 entitle in exchange for those goods. In case of revenue recognition risk of material misstatement significantly increases for its timing of transfer of control, cut-offs, accuracy, completeness and presentation and disclosure. This can lead to revenue either being recognised in incorrect accounting periods or at incorrect value thereby impacting the standalone financial statements. Considering these factors, in the context of our audit this matter was of significance and hence a key audit matter.	• 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 is recognized in accordance with accounting policy of the Company and adequate & appropriate disclosures made in the standalone financial statements;

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Management's & 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 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 board of directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise due to 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 are 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.

a) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.

b) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the board of directors.

c) 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.

d) Evaluate the overall presentation, structure, and content of the standalone financial statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in the aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and evaluating the results of our work; and (ii) evaluating the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 of the standalone financial statements;
   b) *Except* for the matters stated in paragraph 2(i)(vi) below on reporting in relation to audit trail as required under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 maintained for the purpose or preparation of standalone financial statements;
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS.
   e) On the basis of the written representations received from the directors as on April 01, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164 (2) of the Act;
   f) The matter relating to the maintenance of accounts and other matters connected therewith in relation to audit trail are as stated in paragraph 2(b) above on reporting under Section 143(3) (b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
   g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to standalone financial statements;
   h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, according to the information & explanation given to us, the remuneration paid by the Company to its directors during the year, is in accordance with the provisions of section 197(16) of the Act. The remuneration paid to directors is not in excess of the limit laid down under Section 197(16) of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
   i) 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, 2026.
      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 during the year.
      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding,

whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;

v. During the year Company has not declared/paid any dividend hence reporting under rule 11 (f) is not applicable to that extent.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, *except* that audit trail at the database level was not enabled to log direct changes to Database**.** Further, during the course of our audit we did not come across any instance of an audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

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

by the hand of

CA Pramod Bhise
Partner
Membership No.: (F) 047751
UDIN: 26047751CTUCIF3402

Mumbai, May 26, 2026

Annexure A to the independent auditor's report on the Standalone Financial Statements of Surat Trade and Mercantile Limited for the year ended March 31, 2026.

(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) and relevant details of Right of Use of Assets ("ROU") of the Company.

(B) The Company has maintained proper records showing full particulars of the Intangible assets of the company.

(b) The Company has a program of verification of PPE to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Property, Plant and Equipment have been physically verified during the year by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information & explanations given to us and the records examined by us and based on the examination of the registered documents provided to us, we report that the title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the Standalone Financial Statement are held in the name of the Company.

(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 did not hold any inventory as at March 31, 2026, the balance sheet date. Accordingly, reporting on paragraph 3 Clause (ii) (a) of the Order is not applicable to 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. During the year, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting on paragraph 3(iii)(a), (b), (c), (d), (e) and (f) of the Order is not applicable to the Company.

iv. According to information and explanation provided to us, during the year the Company has not granted any loans, made any investments, provided any guarantees and securities to the parties covered under section 185 & 186, accordingly, reporting on this clause is not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits or amounts which are deemed to be deposits from the public, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, are not applicable. Further, according to the information and explanations given to us, no order in this respect has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal. Accordingly, reporting on paragraph 3 Clause (v) of the Order is not applicable to the Company.

vi. The maintenance of cost records has not been specified by the central government under section 148(1) of the Companies Act, 2013, for the business activities carried out by the Company. Accordingly, reporting on paragraph 3 clause (vi) of the Order is not applicable to the Company

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) There were no delays by the Company in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods and Service Tax, Employee State Insurance, Customs Duty, Cess, and other material statutory dues applicable to it to the appropriate authorities except generally there were delays in Income Tax and Professional Tax Liability; 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, 2026, 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 dispute as at March 31, 2026. Accordingly, reporting on paragraph 3 Clause (vii) (b) of the Order is not applicable to the Company.

viii. According to the information & explanations given to us and the records examined by us, there are no such transactions which are not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), Accordingly, reporting on paragraph 3 Clause (viii) of the Order is not applicable to the Company.

ix. According to the information & explanations given to us, the company does not have any loans or borrowings from bank or financial institution or from any other lenders during the year. Accordingly, reporting on paragraph 3 Clause (ix) (a), (b), (c), (d), (e) & (f) of the Order is not applicable to the Company.

x. According to the information and explanations given to us and the records examined by us,

(a) In our opinion and according to the information and explanations given to us, during the year the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments), accordingly reporting on paragraph 3 Clause (x) (a) of the order is not applicable to the company.

(b) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly reporting on paragraph 3 Clause (x) (b) of the order is not applicable to the company.

xi. According to the information and explanations given to us and the records examined by us,

(a) Based upon the audit procedures performed by us no fraud by the Company or any material fraud on the Company has been noticed or reported during the year.

(b) Based on the audit procedures performed by us there is no any report under sub-section (12) of section 143 of the Act, has been filed by the auditors in the form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

xii. The Company is not a Nidhi Company and hence reporting on paragraph 3 clause (xii) (a), (b) & (c) of the Order is not applicable to the Company.

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

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 Act, are not applicable to the company.

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

xvii. The company has not incurred cash losses in the current year as well as the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly, reporting on Paragraph 3 Clause (xviii) of the order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting on paragraph 3 clause (xx) (a) & (b) of the Order is not applicable to the Company.

xxi. In our opinion and according to the information and explanation given to us, the company does not have any subsidiaries, associates and joint ventures during the year. Hence, the Company is not required to prepare Consolidated Financial Statements. Accordingly, reporting on paragraph 3 Clause (xxi) of the Order is not applicable to the Company.

SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm's Registration No.: 109983W

by the hand of

CA Pramod Bhise
Partner
Membership No.: (F) 047751
UDIN: 26047751CTUCIF3402

Mumbai, May 26, 2026,

Annexure B to the independent auditor's report on the Standalone Financial Statements of SURAT TRADE AND MERCANTILE LIMITED for the year ended March 31, 2026.

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

Report on the Internal Financial Controls with reference to the Standalone Financial Statements under Clause (i) of sub section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of **SURAT TRADE AND MERCANTILE LIMITED (Formerly known as 'SURAT TEXTILE MILLS LIMITED')** (hereinafter referred to as "the Company") as of March 31, 2026, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management and Board of Directors' 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 with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the guidance note on internal financial controls over financial reporting issued by ICAI and the Standards on Auditing issued by ICAI and deemed to be prescribed Under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statements 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 with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements includes obtaining an understanding of internal financial controls with reference to the standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

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

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

2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of standalone financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements, and such controls were operating effectively as at March 31, 2026, based on the internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm's Registration No.: 109983W

by the hand of

CA Pramod Bhise
Partner
Membership No.: (F) 047751
UDIN: 26047751CTUCIF3402

Mumbai, May 26, 2026

Balance Sheet as at 31st March, 2026

(Rs. in Lakhs)

Particulars	Note No.	As at 31st March, 2026	As at 31st March, 2025
ASSETS			
1 NON-CURRENT ASSETS:			
(a) Property, Plant and Equipment	1	409.96	257.71
(b) Right of Use Assets	1	136.54	157.02
(c) Other Intangible Assets	1	0.12	0.24
(d) Investment Property	2	1036.38	1036.38
(e) Financial Assets		0	0
(i) Investments	3	9577.07	7780.77
(f) Other Non-Current Assets	6	4489.15	3890.78
TOTAL NON-CURRENT ASSETS		**15649.22**	**13122.90**
2 CURRENT ASSETS:			
(a) Inventories	8	0.00	1750.31
(b) Financial Assets			
(i) Investments	3	6242.21	6119.48
(ii) Trade Receivables		0	0
(iii) Cash and Cash Equivalents	9	896.78	100.73
(iv) Bank Balances Other than (iii) above		0	0
(v) Loans and Advances	4	12.14	506.07
(vi) Others Financial Assets	5	174.65	191.85
(c) Other Current Assets	6	284.22	268.32
TOTAL CURRENT ASSETS		**7610.00**	**8936.76**
TOTAL ASSETS		**23259.22**	**22059.66**
EQUITY AND LIABILITIES			
EQUITY:			
(a) Equity Share Capital	10	2220.64	2220.64
(b) Other Equity	11	20556.42	19462.02
Total Equity		**22777.06**	**21682.66**
LIABILITIES:			
1 NON-CURRENT LIABILITIES:			
(a) Financial Liabilities			
(i) Lease Liabilities	12	144.20	157.92
(ii) Other Financial Liabilities	16	4.50	4.50
(b) Long-Term Provisions	13	23.35	21.87
(c) Deferred Tax Liabilities (Net)	14	118.70	128.89
Total Non-Current Liabilities		**290.75**	**313.18**
2 CURRENT LIABILITIES:			
(a) Financial Liabilities			
(i) Lease Liabilities	12	13.72	11.61
(ii) Trade Payables			
- Dues of Micro Enterprises and Small Enterprises	15	1.36	0.00
- Dues of Creditors Other than Micro Enterprises and Small Enterprises		21.55	22.16
(iii) Other Financial Liabilities	16	37.02	29.29
(b) Other Current Liabilities	17	8.15	9.95
(c) Short-Term Provisions	13	32.90	23.34
(d) Current Tax Liabilities (Net)	14	76.71	(32.53)
Total Current Liabilities		**191.41**	**63.82**
TOTAL EQUITY AND LIABILITIES		**23259.22**	**22059.66**
Material accounting policies	A to C		
The accompanying notes form an integral part of the financial statements	1 to 42		

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
Mumbai, 26th May, 2026

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

Ankita Prasiddha Shroff
Company Secretary
(ICSI M. No. A36425)
Mumbai, 26th May, 2026

Statement Of Profit And Loss for the year ended 31st March, 2026

(Rs. in Lakhs)

Particulars		Note No.	For the year ended 31st March 2026	For the year ended 31st March 2025
1	**Income:**			
	(a) Revenue from Operations	18	11134.58	6863.70
	(b) Other Income	19	1378.56	1482.44
	Total Income (a+b)		**12513.14**	**8346.14**
2	**Expenses:**			
	(a) Cost of Material Consumed		0.00	0.00
	(b) Purchase of Stock-In-Trade	20	8608.62	7069.58
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	1750.31	(345.61)
	(d) Employee Benefits Expense	22	224.24	203.64
	(e) Finance Costs	23	15.18	16.11
	(f) Depreciation and Amortization Expenses	24	57.23	51.65
	(g) Other Expenses	25	458.21	422.18
	Total Expenses (a to g)		**11113.79**	**7417.55**
3	**Profit / (Loss) before tax (1 - 2)**		**1399.35**	**928.59**
4	**Tax Expenses**			
	(a) Current tax	7	312.09	132.97
	(b) Deferred tax	7	(9.12)	(213.93)
	(c) Taxes in Respect of Earlier Years	7	(1.22)	(156.46)
	Total Tax Expenses (a+b+c)		**301.75**	**(237.42)**
5	**Profit / (Loss) after tax (3 - 4)**		**1097.60**	**1166.01**
6	**Other Comprehensive Income / (Loss)**			
	(i) Items that will not be reclassified to profit / (loss)			
	(a) Remeasurements of the defined benefit liabilities / (asset)	26	(4.27)	(1.27)
	(ii) Income tax relating to items that will not be reclassified to profit or (loss)	26	1.07	0.00
	Other Comprehensive Income / (Loss) for the year		**(3.20)**	**(1.27)**
7	**Total Comprehensive Income / (Loss) for the year (5 + 6)**		**1094.40**	**1164.74**
8	**Basic and diluted earnings per Equity Share of face value of Rs.1/- each**	27	0.49	0.53
Material accounting policies		A to C		
The accompanying notes form an integral part of the financial statements		1 to 42		

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
Mumbai, 26th May, 2026

For and on behalf of Board of Directors

Alok P. Shah
Managing Director
DIN: 00218180

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DIN: 00218632

Chandresh S. Punjabi
Chief Financial Officer

Ankita Prasiddha Shroff
Company Secretary
(ICSI M. No. A36425)
Mumbai, 26th May, 2026

Cash Flow Statement for the year ended 31st March, 2026

(Rs. in Lakhs)

		For the year ended 31st March 2026		For the year ended 31st March 2025
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax		1399.35		928.59
Adjustment for:				
Depreciation and Amortization Expenses	57.23		51.65	
Impairment loss	30.54		0.00	
Finance Costs	15.18		16.11	
Interest Income	(916.02)		(890.05)	
(Profit)/Loss on Redemption of Investments	(510.59)		(1126.74)	
Mark to Market of bonds (EIR method)	0.00		(0.03)	
Profit on Sale of Fixed Assets	(13.03)		(6.19)	
Unrealised Gain on Investments	122.98		588.78	
		(1213.71)		(1366.47)
Operating Profit before Working Capital Changes		185.64		(437.88)
Movements in Working Capital				
(Increase) / Decrease in Provisions	11.04		12.96	
(Increase) / Decrease in Trade and Other Receivables	0.93		(125.33)	
(Increase) / Decrease in Inventories	1750.31		(345.61)	
(Decrease) / Increase in Trade Payables	0.75		(11.51)	
(Decrease) / Increase in Other Financial Liabilities	7.73		(3.32)	
(Decrease) / Increase in Other Current Liabilities	(1.80)		(5.76)	
		1768.96		(478.57)
Cash Generated from Operations		1954.60		(916.45)
Direct Taxes (Paid) / Refund.		(190.69)		44.68
Net Cash Flow generated from / (used in) Operating Activities (A)		**1763.91**		**(871.77)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(226.32)		(136.77)
Sale of Fixed Assets		19.94		6.45
Investment Property		0.00		(25.00)
Sale/Redemption of Bonds		501.01		500.00
(Purchase) / Sale of Art & Artifacts		(598.00)		0.00
Purchase of Current Investments		(11500.07)		(6725.00)
Purchase of Alternate Investment Funds		(1796.30)		(2437.12)
(Purchase) / Sale of Equity Share		675.97		(1398.38)
Redemption of Debentures		0.00		228.30
Sale of Current Investments		10587.78		10022.89
Interest Income		914.60		889.52
Loans to Other Company/Firm		493.93		(0.14)
Net Cash Flow generated from / (used in) Investing Activities (B)		**(927.46)**		**924.75**

Cash Flow Statement for the year ended 31st March, 2026

(Rs. in Lakhs)

			For the year ended 31st March 2026	For the year ended 31st March 2025
C.	**CASH FLOW FROM FINANCIAL ACTIVITIES**			
	Payment of Lease Liabilities		(26.64)	(26.64)
	Interest (Paid) / Received		(15.18)	(16.11)
	Fixed Deposit Interest		1.42	0.53
	Net Cash Flow generated from / (used in) from Financing Activities (C)		**(40.40)**	**(42.22)**
D.	**Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)**		796.05	10.76
E.	**Cash and Cash Equivalents at the beginning of the year**		100.73	89.97
F.	**Cash and Cash Equivalents at the end of the year (Refer Note No.9)**		**896.78**	**100.73**
Material accounting policies		A to C		
The accompanying notes form an integral part of the financial statements		1 to 42		

Notes :

1 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”.

2 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

CA Pramod Bhise
Partner
Membership No.(F) 047751
Mumbai, 26th May, 2026

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

Ankita Prasiddha Shroff
Company Secretary
(ICSI M. No. A36425)
Mumbai, 26th May, 2026

Statement of Changes in Equity for the year ended 31st March, 2026

A Equity Share Capital *

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Balance at the beginning of the year	222064440	2220.64	222064440	2220.64
Add: during the year	0.00	0.00	0.00	0.00
Less: during the year	0.00	0.00	0.00	0.00
Balance at the end of the year	222064440	2220.64	222064440	2220.64

*(Refer Note 10)

B Other Equity*

As at 31st March 2025 (Rs. in Lakhs)

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

As at 31st March 2026 (Rs. in Lakhs)

Particulars	Capital Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the reporting period i.e. 1st April, 2025	(6.90)	19442.35	26.57	19462.02
Profit/(Loss) for the year	0.00	1097.60	0.00	1097.60
Other Comprehensive Income for the year	0.00	0.00	(3.20)	(3.20)
Transfer (to) / from retained earnings	0.00	(3.20)	3.20	0.00
Balance at the end of the reporting period i.e. 31st March, 2026	(6.90)	20536.75	26.57	20556.42

*(Refer Note 11)

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
Mumbai, 26th May, 2026

For and on behalf of Board of Directors

Alok P. Shah
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Chandresh S. Punjabi
Chief Financial Officer

Ankita Prasiddha Shroff
Company Secretary
(ICSI M. No. A36425)
Mumbai, 26th May, 2026

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026

A. Corporate Information

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

B. Material Accounting Policies

B.1. Basis for Preparation of Financial Statements:

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

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

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

The financial statements are approved for issue by the Company's Board of Directors on 26th May, 2026.

B.2. Key Sources of Estimation:

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

(i) The useful lives and Residual value of Property, Plant and Equipment

(ii) Income Tax Assets / Liabilities

(iii) Allowance for Expected Credit Loss of Financial Assets

(iv) Future Obligations in Respect of Retirement Benefit Plans

(v) Differences, if any, between the actual results and estimates are recognised in the period in which the results are known

(vi) Fair value of Investments

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, which are described above, the Management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ

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

from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Impairment of Property, Plant and Equipment:

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

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

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

(iii) Provision for Litigations and Contingencies:

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

(iv) Allowance for Expected Credit Losses :

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

(v) Income Tax:

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

(vi) Leases:

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

B.3. Current versus Non-current Classification

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

An asset is treated as current when it is:

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

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

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

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

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

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

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

Depreciation Methods, Estimated Useful Lives and Residual Value

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

Sr. No.	Category of Assets		Useful Life* (in Years)
1	Buildings:		
	(i)	Factory Buildings	30
	(ii)	Other Buildings	60

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

Sr. No.	Category of Assets		Useful Life* (in Years)
	(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.

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

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

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. 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.

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

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. 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.

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

Post-Employment Benefits

(i) Defined Contribution Plans:

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

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

(ii) Defined Benefit Plans:

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

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

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

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

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

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

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

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

(iii) Termination Benefits:

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

B.11. Borrowing Costs:

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

B.12. Taxation:

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

Current tax

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

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

Deferred tax

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

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

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

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

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.

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

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 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.

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.

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

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

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

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

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

(iv) Investment in Subsidiaries, Associates and Joint Ventures

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

c) Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

d) Derivative Financial Instruments

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

e) Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

* The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); OR

* Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward booking estimates are analysed.

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.

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

For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognised in Profit or Loss and changes in fair value (other than on account of above income or expense) are recognised in Other Comprehensive Income and accumulated in Other equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in Other equity is reclassified to Profit and Loss. In case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to Profit and Loss on disposal of investments.

(B) Financial Liabilities

a) Initial Recognition and Measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

b) Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) De-Recognition

Financial liabilities are derecognized when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability derecognized and the consideration paid or payable is recognized in the Statement of Profit and Loss.

d) Foreign Exchange Gains and Losses

Financial liabilities denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in the Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in the Statement of Profit and Loss.

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:

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

(i) Transactions of a non-cash nature.

(ii) Any deferrals or accruals of past or future operating cash receipts or payments.

(iii) Items of income or expense associated with investing or financing cash flows.

(iv) Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

B.17. Events after Reporting Date:

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date only of material size or nature are disclosed.

B.18. Earnings per Share:

The Company reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 “Earnings per Share”. Basic EPS is computed by dividing the net profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity holders of the parent entity by weighted average number of equity shares outstanding during the year as adjusted for the effects of the effects of all dilutive potential ordinary shares dilutive potential equity shares (except where the results are anti-dilutive).

C. Recent Accounting Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules from time to time. For the year commencing April 1, 2025, MCA has notified amendments to Ind AS 1 – Presentation of Financial Statements (relating to classification of liabilities and covenant conditions), Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures (relating to supplier finance arrangements), and Ind AS 12 – Income Taxes (relating to introduction of temporary exception for recognition of deferred tax on top-up tax under global minimum tax rules). The Company has reviewed these amendments and based on its evaluation has determined that they do not have any significant impact on its financial statements.

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

Note 1 : Property, Plants & Equipments, Right of Use Assets and Intangible Assets

(Rs. in Lakhs)

Description	Tangible Assets:								Right of Use Asset:	Intangible Assets	GRAND TOTAL
	Freehold Land (Refer Note 1.1)	Buildings	Furniture & Fittings	Electrical Installations & Equipments	Motor Vehicles	Office Equipments	Computers & Data Processing Units	TOTAL	Buildings	Software	
GROSS BLOCK											
Balance as at 1st April 2024	**17.52**	**82.17**	**6.83**	**0.00**	**146.94**	**49.74**	**15.81**	**319.01**	**287.44**	**1.44**	**607.89**
Additions	0.00	0.00	0.00	1.16	135.61	0.00	0.00	136.77	0.00	0.00	136.77
Deductions/Retirement	0.00	0.19	0.00	0.00	0.81	0.00	0.00	1.00	0.00	0.00	1.00
Balance as at 31st March 2025	**17.52**	**81.98**	**6.83**	**1.16**	**281.74**	**49.74**	**15.81**	**454.78**	**287.44**	**1.44**	**743.66**
Additions	0.00	0.00	0.35	0.00	223.58	0.00	2.39	226.32	0.00	0.00	226.32
Deductions/Retirement	0.00	0.51	1.16	0.00	54.89	0.22	1.34	58.12	104.82	0.00	162.94
Reclassified to Investment Properties	17.52	0.00	0.00	0.00	0.00	0.00	0.00	17.52	0.00	0.00	17.52
Balance as at 31st March 2026	**0.00**	**81.47**	**6.02**	**1.16**	**450.43**	**49.52**	**16.86**	**605.45**	**182.63**	**1.44**	**789.52**
ACCUMULATED DEPRECIATION											
Balance as at 1st April 2024	**0.00**	**19.26**	**3.68**	**0.00**	**75.68**	**39.46**	**11.29**	**149.38**	**109.94**	**0.94**	**260.26**
Additions	0.00	2.10	0.54	0.59	25.76	0.00	1.91	30.91	20.48	0.26	51.65
Deductions/Retirement	0.00	0.03	0.00	0.00	0.72	0.00	0.00	0.74	0.00	0.00	0.74
Balance as at 31st March 2025	**0.00**	**21.34**	**4.22**	**0.59**	**100.73**	**39.46**	**13.20**	**179.55**	**130.42**	**1.20**	**311.17**
Additions	0.00	2.10	0.54	0.00	32.53	0.45	1.01	36.63	20.48	0.12	57.23
Deductions/Retirement	0.00	0.10	1.07	0.00	49.43	0.19	0.42	51.22	104.82	0.00	156.04
Impairment loss (Refer Note 1.1)	0.00	30.54	0.00	0.00	0.00	0.00	0.00	30.54	0.00	0.00	30.54
Balance as at 31st March 2026	**0.00**	**53.88**	**3.69**	**0.59**	**83.83**	**39.72**	**13.79**	**195.50**	**46.09**	**1.31**	**242.90**
NET BLOCK											
Balance as at 31st March 2025	**17.52**	**60.64**	**2.61**	**0.56**	**181.01**	**10.27**	**2.61**	**275.23**	**157.02**	**0.24**	**432.49**
Balance as at 31st March 2026	**0.00**	**27.59**	**2.33**	**0.56**	**366.60**	**9.80**	**3.07**	**409.96**	**136.54**	**0.12**	**546.62**

Note 1.1

During the year, the Company reassessed the classification of certain land and buildings previously classified under Property, Plant and Equipment ("PPE"). As the Block N.22 / Paikee 5 is not being used for operational or any other business purposes of the Company and the land is intended to be held for capital appreciation and strategic monetization, the land has been reclassified as Investment Property in accordance with Ind AS 40 – Investment Property. Further, based on an external valuation report, the recoverable/residual value of the building was assessed at Rs. 20 lakhs against its carrying amount of Rs. 50.54 lakhs. Accordingly, the Company recognized an impairment loss of Rs. 30.54 lakhs in the Statement of Profit and Loss in accordance with Ind AS 36 – Impairment of Assets.

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Note: 2 Investment Property		
Land at Varachha	930.46	930.46
Land at Vareli (Block No.44, 45 / Paikee 45A, 45B, 45K)	88.40	88.40
Land at Vareli* (Block No.22 / Paikee 5)	17.52	17.52
Total	**1036.38**	**1036.38**

Note 2.1 Reconciliation of Investment Property (Rs. in Lakhs)

	Land at Varachha	Land at Vareli (Block No.44, 45 / Paikee 45A, 45B, 45K)	Land at Vareli* (Block No.22 / Paikee 5)	Total
Gross block				
As at 1st April, 2024	905.46	88.40	17.52	1011.38
Additions	25.00	0.00	0.00	25.00
Disposals	0.00	0.00	0.00	0.00
As at 31st March, 2025	**930.46**	**88.40**	**17.52**	**1036.38**
Additions	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00
As at 31st March, 2026	**930.46**	**88.40**	**17.52**	**1036.38**
Depreciation and Impairment				
As at 1st April, 2024	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, 2025	**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, 2026	**0.00**	**0.00**	**0.00**	**0.00**
Net Block				
As at 31st March, 2025	**930.46**	**88.40**	**17.52**	**1036.38**
As at 31st March, 2026	**930.46**	**88.40**	**17.52**	**1036.38**

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, 2026 have been arrived at on the basis of a valuation carried out by Shubh Lakshmi Valuers, independent valuer not related to the Company. Shubh Lakshmi Valuers is registered with the authority which governs the valuers in India, and has appropriate qualifications and experience in the valuation of properties in the relevant locations. The fair value was determined based on the market enquiry approach that reflects recent land rates for similar properties. Details of the Company's investment properties and information about the fair value hierarchy as at 31st March, 2026 is as follows:

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

(Rs. in Lakhs)

Particulars	Level 3	
	As at 31st March 2026	Valuation Date
Land at Vareli* (Block No.22 / Paikee 5)	874.20	10th May 2026
Land at Vareli (Block No.44, 45 / Paikee 45A, 45B, 45K)	6076.37	15th May 2024
Land at Varachha	10085.53	24th August 2023

* Refer Note 1.1 PPE

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Note: 3 Investments		
Non-Current Investment		
Unquoted		
Amortised Cost		
Investment in Compulsorily Convertible Preference Shares (CCPS)		
Healync Technologies Private Limited, FV Rs.10 each 350000 (31 March 2025 : 350000)	35.00	35.00
	35.00	**35.00**
Unquoted		
Amortised Cost		
Investment in Alternative Investment Fund (AIF)		
Avendus Future Leaders Fund II	256.85	300.00
Avendus Structured Credit Fund II	434.38	824.34
Avendus Structured Credit Fund III	600.00	0.00
Ask Private Credit Fund	500.00	290.00
Bepa Credit India Fund III Scheme F	494.25	438.60
Blume Ventures India Fund IV	74.00	60.00
Edelweiss-Isaf III Onshore Fund	1287.03	1049.25
Hdfc Amc Select Aif Fof-I	118.08	80.00
Incred Credit Opportunities Fund I	171.75	500.00
Incred Credit Opportunities Fund II	500.00	500.00
Incred Growth Partners Fund I	350.00	200.00
Incred Special Opportunities Fund I	1875.00	500.00
Infrastructure Yield Plus IIA	536.80	382.45
Innoven Capital India Fund	460.63	700.00
Kae Capital Fund III	100.00	70.00
Stride RTI Opportunities Fund I	87.36	91.13
Stride Venture Debt Fund II	331.45	700.00
Trifecta Venture Debt Fund III	383.07	400.00
True North Credit Opportunities Fund I	836.42	520.00
Waterbridge Ventures II Trust	145.00	140.00
	9542.07	7745.77
Total Non-Current Investments	**9577.07**	**7780.77**

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
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 00 (31 March 2025 : 50)	0.00	500.11
	0.00	**500.11**
Quoted		
Fair Value through Profit and Loss (FVTPL)		
Investment in Equity Shares		
Swiggy Limited FV.of Rs.10 each 00 (31 March 2025 : 170000)	0.00	561.34
	0.00	**561.34**
Quoted		
Fair Value through Profit and Loss (FVTPL)		
Investment in Mutual Funds		
ABSL Income Fund - Growth of Rs 10/- each 0 (31 March 2025 : 142608.589)	0.00	190.02
ABSL Savings Fund Growth of Rs 10/- each 139156.273 (31 March 2025 : 1275.320)	814.06	6.97
HDFC Flexi Cap Fund - Direct Plan - Growth of Rs 10/- each 17134.746 (31 March 2025 : 17134.746)	342.09	345.17
HDFC Ultra Short Term Fund Growth of Rs.10/- each 34951.612 (31 March 2025 : 34951.612)	5.66	5.31
ICICI Prudential Corporate Bond Fund - Growth of Rs 10/- each 0 (31 March 2025 : 2174282.907)	0.00	664.28
ICICI Prudential Ultra Short Term Fund Growth of Rs 10/- each 3398195.387 (31 March 2025 : 36975.274)	1067.20	10.85
Invesco India Contra Fund Growth- of Rs 10/- each 375963.800 (31 March 2025 : 375963.800)	517.51	544.28
Invesco India EQQQ NASDAQ-100 ETF Fund of Fund Growth of Rs 10/- each 3076264.415 (31 March 2025 :3076264.415)	632.03	469.44

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Kotak Equity Opportunities Fund Growth- of Rs 10/- each 198282.218 (31 March 2025 : 198282.218)	716.11	705.65
Nippon India Corporate Bond Fund - Growth of Rs 10/- each 0 (31 March 2025 : 1022909.293)	0.00	628.71
Nippon India ETF Nifty 50 BeES Growth- of Rs 1/- each 100000 (31 March 2025 : 148500)	252.66	390.92
Nippon India Flexi Cap Fund - Direct Growth of Rs 10/- each 1730556.233 (31 March 2025 : 1730556.233)	266.99	277.84
Nippon India Ultra Short Term Fund - Growth of Rs 10/- each 17870.933 (31 March 2025 : 544.392)	833.02	23.71
	5447.33	**4263.15**
Unquoted		
At Cost		
Investment in Equity Shares		
National Stock Exchange of India Ltd FV.of Rs.1 each 16250 (31 March 2025 : 16250)	194.19	194.19
Oravel Stays Limited FV of Rs.1 each 2526316 (31 March 2025 : 1200000)	600.69	600.69
	794.88	**794.88**
Total Current Investments	**6242.21**	**6119.48**
Total Investments	**15819.28**	**13900.25**
Aggregate Market Value of Quoted Investments	5447.33	5324.60
Aggregate Carrying Value of Quoted Investments	4555.50	4311.24
Aggregate Carrying Value of Unquoted Investments	10371.95	8575.65
Aggregate Value of Impairment of Investments	0.00	0.00

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Note: 4 Loans and Advances		
Current		
Unsecured, Considered Good		
Inter Corporate Deposits (ICD's)	0.00	500.00
Loans to Employees	12.14	6.07
Total	**12.14**	**506.07**

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Note: 5 Other Financial Assets		
Current		
Income Receivables - Interest		
On Bonds and AIF	173.70	151.28
On ICDs	0.00	40.50
Other Interest	0.95	0.07
Total	**174.65**	**191.85**

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Note: 6 Other Assets		
Non-Current		
Unsecured, Considered Good		
Deposits - Receivable Long term	6.92	6.55
Art & Artifacts	4482.23	3884.23
	4489.15	**3890.78**
Current		
Unsecured, Considered Good		
Advance to Suppliers	2.88	37.90
Prepaid Expenses	27.01	13.76
Balance with Customs, GST and State Authorities	254.33	216.66
	284.22	**268.32**
Total	**4773.37**	**4159.10**

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Note: 7 Taxes on Income		
The Major Components of Income Tax Expense for the year ended March 2026 and March 2025 are:		
(i) Statement of Profit and Loss		
Current Tax Expense	312.09	132.97
Deferred Tax Expense	(10.19)	(213.93)
Short/(Excess) Provision of tax for earlier years	(1.22)	(156.46)
Total Income Tax Expense	**300.68**	**(237.42)**
(ii) Other Comprehensive Income		
Deferred Tax relating to Net Gain/(Loss) on Re-measurement of Defined Benefit Plans	1.07	0.00
(iii) Reconciliation of Effective Tax Rate		
Income before tax	1399.35	928.59
Enacted Tax Rate in India*	25.17%	25.17%
Expected Tax Expense	352.19	233.71
Tax Effect of :		
Effect of expense that is non-deductible in determining taxable profit	4.79	2.67
Effect of IND AS adjustments	2.23	2.49
Different tax rate	(48.17)	0.00
Taxes in Respect of Earlier Years	(1.22)	(156.46)
Others adjustment (Including carried forward losses)	(9.13)	(319.82)
Income tax expense recognised In profit or loss from continuing operations	**300.68**	**(237.42)**

*(Enacted Standard Corporate Tax Rate is 22%+Applicable Surcharge+4% Edu. Cess)

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

(Rs. in Lakhs)

		Opening Balance as on 01/04/2025	Recognised in P & L	Recognised in OCI	Closing Balance as on 31/03/2026
(iv)	**Movement of Deferred Tax**				
	Tax effect of Items Constituting Deferred Tax Liabilities:				
	Unrealised Gain on MF Investments	145.12	(17.59)	0.00	127.53
	Total Deferred Tax Liabilities	**145.12**	**(17.59)**	**0.00**	**127.53**
	Tax effect of Items Constituting Deferred Tax Assets:				
	Property Plant and Equipments	(2.48)	5.06	0.00	2.58
	Employees Benefits	0.00	0.00	0.00	0.00
	Long Term Capital Loss	14.01	(14.01)	0.00	0.00
	Effect of 43B	2.27	(0.68)	0.00	1.59
	Effect of Lease Asset	2.43	2.23	0.00	4.67
	Total Deferred Tax Assets	16.23	(7.39)	0.00	8.84
	Deferred Income Tax Assets/(Liabilities) after Set Off	**(128.89)**	**10.19**	**0.00**	**(118.70)**

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Note: 8 Inventories (at lower of cost and net realisable value)		
Stock in trade	0.00	1750.31
Total	**0.00**	**1750.31**

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Note: 9 Cash and Cash Equivalents		
Cash on Hand	1.89	1.23
Balances with Banks in Current Accounts	469.89	49.50
Fixed Deposits with Banks (maturity in less than 3 months)	425.00	50.00
Total	**896.78**	**100.73**

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Note: 10 Equity Share Capital		
Authorised Share Capital		
84,00,00,000 (84,00,00,000) Equity Shares of Rs.1/- each	8400.00	8400.00
Total	**8400.00**	**8400.00**
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**

* There was no change in Issued, Subscribed and Paid up share capital of the Company during the year and the immediately preceding financial year.

10.01 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.

10.02 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholder	As at 31st March, 2026		As at 31st March, 2025		% Change during the year
	No. of Shares	% to total shares	No. of Shares	% to total shares	
Mr. Alok Praful Shah	89381990	40.25	89381990	40.25	0.00
Mr. Suhail Praful Shah	56073365	25.25	56073365	25.25	0.00

10.03 Details of shares held by the promoters

Name of the Promoter	As at 31st March, 2026		As at 31st March, 2025		% Change during the year
	No. of Shares	% to total shares	No. of Shares	% to total shares	
Mr. Alok Praful Shah	89381990	40.25	89381990	40.25	0.00
Mr. Suhail Praful Shah	56073365	25.25	56073365	25.25	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**	

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

10.04 For the period of five years immediately preceding the date as at which the balance sheet is prepared, no shares are

i) Allotted any equity shares for consideration other than cash.

ii) Allotted as fully paid shares by way of bonus shares.

iii) Bought back.

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Note: 11 Other Equity#		
Retained Earnings		
Balance as per last Balance Sheet	19442.35	18277.61
Add: Profit/(Loss) for the Year	1097.60	1166.01
Add: Transfer from Other Comprehensive Income	(3.20)	(1.27)
	20536.75	**19442.35**
Other Comprehensive Income		
Balance as per last Balance Sheet	26.57	26.57
Add: OCI for the year	(3.20)	(1.27)
Less: Transfer to retained earnings	3.20	1.27
	26.57	**26.57**
Capital Reserve		
Balance as per last Balance Sheet	(6.90)	(6.90)
Less: Transfer to retained earnings	0.00	0.00
	(6.90)	**(6.90)**
Total	**20556.42**	**19462.02**

Refer Statement of changes in Equity for Movement in Each Reserves and Surplus.

Nature and Purpose of Reserves

Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Capital Reserve: The excess of fair value of net assets acquired over consideration paid in a common control transaction is recognised as capital reserve. The Company had recognised capital reserve representing the difference between the net identifiable assets acquired and consideration paid, on amalgamation of Vareli Trading Company Limited with the Company.

Other Comprehensive income: Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other Ind AS.

Items of Other Comprehensive Income

i) Remeasurements of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in ‘Other comprehensive income’ and subsequently not reclassified to the Statement of Profit and Loss.

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Note: 12 Lease Liabilities*		
Non-Current		
Lease Liabilities - Building	144.20	157.92
Current		
Lease Liabilities - Building	13.72	11.61
Total	**157.92**	**169.53**

* Refer Note 31

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Note: 13 Provisions*		
Non-Current		
Leave Benefits	4.65	5.40
Gratuity Benefits	18.70	16.47
	23.35	**21.87**
Current		
Leave Benefits	18.43	16.31
Gratuity Benefits	14.47	7.03
	32.90	**23.34**
Total	**56.25**	**45.21**

* Refer Annexure 1 of Note 22

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Note: 14 Tax Liabilities		
Non-Current		
Deferred Tax Liabilities	118.70	128.89
Total	**118.70**	**128.89**
Current		
Income Tax Liabilities (net)	76.71	(32.53)
Total	**76.71**	**(32.53)**

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

(Rs. in Lakhs)

			As at 31st March, 2026	As at 31st March, 2025
Note: 15 Trade Payables				
a)	**Acceptances**		0.00	0.00
b)	**Payable to Others**			
	i)	Payable to Micro and Small Enterprises *	1.36	0.00
	ii)	Payable to Creditors Other than Micro Enterprises and Small Enterprises #	21.55	22.16
Total			**22.91**	**22.16**

Refer Note 34.02 for Amount payable to Related Parties.

*Information in Respect of Micro, Small and Medium Enterprises as at 31st March, 2026 as disclosure requirement under MSMED act, 2006 are applicable.

(Rs. in Lakhs)

Particulars		As at 31st March, 2026	As at 31st March, 2025
(a)	Principal Amount Due	1.36	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
	Dues to Small and medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

Trade Payables ageing Schedule as at 31st March, 2026 (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	1.36	0.00	0.00	0.00	1.36
(b)	Others	21.55	0.00	0.00	0.00	21.55
(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, 2025 (Rs. in Lakhs)

Particulars		Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 Years	
(a)	MSME	0.00	0.00	0.00	0.00	0.00
(b)	Others	22.16	0.00	0.00	0.00	22.16
(c)	Disputed Dues - MSME	0.00	0.00	0.00	0.00	0.00
(d)	Disputed Dues - Others	0.00	0.00	0.00	0.00	0.00

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Note: 16 Other Financial Liabilities		
Non Current		
Payable - Deposits	4.50	4.50
	4.50	**4.50**
Current		
Payable - Employees Benefit Expenses	18.61	16.29
Payable - Expenses	18.41	13.00
	37.02	**29.29**
Total	**41.52**	**33.79**

(Rs. in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Note: 17 Other Current Liabilities		
Goods and Services Tax	0.86	1.84
Payable - Expenses	2.22	2.07
Payable - TDS	5.07	6.04
Total	**8.15**	**9.95**

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

(Rs. in Lakhs)

	2025-26	2024-25
Note: 18 Revenue from Operations		
Sale of Products		
- Traded Goods	10805.76	7090.04
Other Operating Revenue		
- Profit (Loss) on Commodity Derivatives	(180.43)	(226.34)
- Others (Profit on Sale of Art & Artifacts)	509.25	0.00
Total	**11134.58**	**6863.70**

(Rs. in Lakhs)

	2025-26	2024-25
Note: 19 Other Income		
Interest Income		
Bank Deposits	1.42	0.53
Investments in Bonds (At Amortized Cost)	12.06	56.24
Investments in Alternate Investment Fund (At Amortized Cost)	864.51	757.82
On Debentures	0.00	23.00
On Loans and Advances	30.25	44.88
Dividend Income	5.69	0.00
On Income Tax Refund	1.71	7.23
Others	0.38	0.35
Other Non-Operating Income		
Unrealised gain/(loss) on Current Investments (FVTPL)	(122.98)	(588.78)
Profit on Sale of Current Investments	510.59	1126.74
Profit on Sale of Fixed Assets	13.03	6.19
Credit Balance Written Back	1.52	0.50
Capital Gain on AIF	59.89	47.69
Miscellaneous Receipts	0.49	0.05
Total	**1378.56**	**1482.44**

(Rs. in Lakhs)

	2025-26	2024-25
Note: 20 Purchase of Stock-In-Trade		
Purchases	8608.62	7069.58
Total	**8608.62**	**7069.58**

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

(Rs. in Lakhs)

	2025-26	2024-25
Note: 21 Changes in Inventories of Finished Goods,		
Work-in-Progress and Stock-in-Trade		
Opening Stock		
Stock-in-trade	1750.31	1404.70
	1750.31	**1404.70**
Less: Closing Stock		
Stock-in-trade	0.00	1750.31
	0.00	**1750.31**
Total	**1750.31**	**(345.61)**

(Rs. in Lakhs)

	2025-26	2024-25
Note: 22 Employee Benefits Expense		
Salaries and Wages	191.95	173.24
Contribution to Provident and Other Funds	12.09	11.41
Gratuity	5.73	5.05
Staff Welfare Expenses	14.47	13.94
Total	**224.24**	**203.64**

(a) New Labour Code:

Consequent to introduction of New Labour Codes w.e.f. 21st November 2025, pending promulgation of rules in this regard, the Company on provisional basis made its assessment. Based on management assessment and the best information available, and in line with the Institute of Chartered Accountants of India (ICAI) guidance, the incremental impact of these changes is not material to the financial statements for the year ended 31st March 2026. Further, the Company will assess the financial implications, if any, against these codes and will account for the same, subsequent to promulgation of the related Rules.

(b) Defined Contribution Plan:

The Company has Recognized Rs.8.98 Lakhs for Provident Fund contribution in the Statement of Profit and Loss for the year ended March 31, 2026 (Previous Year Rs.8.35 Lakhs)

(c) Defined Benefit Plan:

The present value of obligation is determined based on actuarial valuation. These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

i) **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.

ii) **Interest Risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

iii) **Longevity Risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

iv) **Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability

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	
	31/03/2026 (12 months)	31/03/2025 (12 months)	31/03/2026 (12 months)	31/03/2025 (12 months)
Present value of unfunded obligations	33.25	23.50	23.08	21.70
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)	**33.25**	**23.50**	**23.08**	**21.70**

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

Particulars	Gratuity		Leave Benefits	
	31/03/2026 (12 months)	31/03/2025 (12 months)	31/03/2026 (12 months)	31/03/2025 (12 months)
Current Liability*	14.47	7.03	18.43	16.31
Non-Current Liability	18.70	16.47	4.65	5.39
Net Liability	**33.17**	**23.50**	**23.08**	**21.70**

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

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

Particulars	Gratuity		Leave Benefits	
	31/03/2026 (12 months)	31/03/2025 (12 months)	31/03/2026 (12 months)	31/03/2025 (12 months)
Service cost:				
Current service cost	4.42	3.96	13.10	4.07
Past service cost and loss/(gain) on curtailments and settlement	0.00	0.00	0.00	0.00
Net interest cost	1.31	1.09	0.89	0.87
Net value of remeasurements on the obligation and plan assets	0.00	0.00	1.46	4.43
Total included in 'Employee Benefit Expense	**5.73**	**5.05**	**15.44**	**9.38**
Total Charge to Profit and Loss	**5.73**	**5.05**	**15.44**	**9.38**

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

Other Comprehensive Income for the current period (Rs. in Lakhs)

Particulars	**Gratuity**		**Leave Benefits**	
	31/03/2026 (12 months)	**31/03/2025 (12 months)**	**31/03/2026 (12 months)**	**31/03/2025 (12 months)**
Due to Change in financial assumptions	(0.21)	0.57	(0.08)	0.22
Due to change in demographic assumption	0.00	0.00	0.00	0.00
Due to experience adjustments	4.48	0.71	1.54	4.21
Return on plan assets excluding amounts included in interest income	0.00	0.00	0.00	0.00
Amounts recognized in Other Comprehensive (Income) / Expense	**4.27**	**1.28**	**1.46**	**4.43**

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

Particulars	**Gratuity**		**Leave Benefits**	
	31/03/2026 (12 months)	**31/03/2025 (12 months)**	**31/03/2026 (12 months)**	**31/03/2025 (12 months)**
Opening Defined Benefit Obligation	23.50	17.18	21.70	15.07
Transfer in/(out) obligation	0.00	0.00	0.00	0.00
Current service cost	4.42	3.96	13.10	4.07
Interest cost	1.31	1.09	0.89	0.87
Components of actuarial (gain)/losses on obligations:				
Due to Change in financial assumptions	(0.21)	0.57	(0.08)	0.22
Due to change in demographic assumption	0.00	0.00	0.00	0.00
Due to experience adjustments	4.48	0.71	1.54	4.21
Past service cost	0.08	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	(0.33)	0.00	(14.07)	(2.74)
Closing Defined Benefit Obligation	**33.25**	**23.50**	**23.08**	**21.70**

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

Annexure 4: Reconciliation of net defined benefit liability (Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2026 (12 months)	**31/03/2025 (12 months)**	**31/03/2026 (12 months)**	**31/03/2025 (12 months)**
Net opening provision in books of accounts	23.50	17.18	21.70	15.07
Transfer in/(out) obligation	0.00	0.00	0.00	0.00
Transfer (in)/out plan assets	0.00	0.00	0.00	0.00
Employee Benefit Expense as per Annexure 2	5.73	5.05	15.44	9.38
Amounts recognized in Other Comprehensive (Income) / Expense	4.27	1.27	0.00	0.00
Total	**33.50**	**23.50**	**37.15**	**24.44**
Benefits paid by the Company	(0.33)	0.00	(14.07)	(2.74)
Contributions to plan assets	0.00	0.00	0.00	0.00
Closing provision in books of accounts	**33.17**	**23.50**	**23.08**	**21.70**

Annexure 5: Principle actuarial assumptions

Particulars	Gratuity		Leave Benefits	
	31/03/2026 (12 months)	**31/03/2025 (12 months)**	**31/03/2026 (12 months)**	**31/03/2025 (12 months)**
Discount Rate	6.75% p.a	6.55% p.a.	6.75% p.a.	6.55% 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	14.47	36.80%	18.43	65.10%
Year 2	2.58	6.60%	2.05	7.20%
Year 3	1.75	4.50%	0.48	1.70%
Year 4	0.87	2.20%	0.25	0.90%
Year 5	1.91	4.80%	0.33	1.20%
Year 6 to Year 10	13.97	35.50%	3.08	10.90%

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

The Expected contribution for the next year is Rs. 14.47 Lakhs.

The Weighted Average Duration (Years) as at valuation date is 3.1 years.

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

Annexure 7: Sensitivity to key assumptions (Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2026 (12 months)	31/03/2025 (12 months)	31/03/2026 (12 months)	31/03/2025 (12 months)
Discount rate varied by 0.5%				
Increase by 0.5%	32.74	23.02	22.88	21.51
(% change)	-1.52%	-2.03%	-0.83%	-0.86%
Decrease by 0.5%	33.78	24.00	23.28	21.90
(% change)	1.60%	2.13%	0.89%	0.90%
Salary growth rate varied by 0.5%				
Increase by 0.5%	33.76	23.99	23.28	21.90
(% change)	1.55%	2.07%	0.88%	0.90%
Decrease by 0.5%	32.75	23.03	22.88	21.51
(% change)	-1.49%	-1.99%	-0.83%	-0.86%
Withdrawal rate (W.R.) varied by 10%				
W.R. x 110%	33.25	23.50	23.08	21.71
(% change)	0.01%	-0.01%	0.00%	0.02%
W.R. x 90%	33.24	23.50	23.08	21.70
(% change)	-0.01%	0.00%	0.00%	-0.02%

A description of methods used for sensitivity analysis and its Limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters.

Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

(Rs. in Lakhs)

	2025-26	2024-25
Note: 23 Finance Costs		
Interest on Lease Liabilities*	15.03	16.04
Other Financial Charges	0.15	0.07
Total	**15.18**	**16.11**

* Refer Note 31

(Rs. in Lakhs)

	2025-26	2024-25
Note: 24 Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	36.63	30.91
Depreciation on Right to Use Assets*	20.48	20.48
Amortisation of Intangible Assets	0.12	0.26
Total	**57.23**	**51.65**

* Refer Note 31

(Rs. in Lakhs)

	2025-26	2024-25
Note: 25 Other Expenses		
Trading Expenses		
Brokerage Expense	8.75	6.98
Rent - Other Vault	2.09	8.63
Other Trading Expenses	0.52	0.67
	11.36	**16.28**
Administrative & General Expenses		
Legal and Professional Charges	156.03	143.99
General Charges	114.38	108.23
Impairment loss (Refer Note 1.1 PPE)	30.54	0.00
Rent	64.50	64.50
Repairs & Maintenance	24.21	37.99
Auditors' Remuneration (Refer Note 25.01)	9.54	9.17
Rates and Taxes	9.04	11.27
CSR Expenses (Refer Note 25.02)	17.50	10.60
Insurance	11.26	8.34
Power and Fuel	5.95	5.33
Factory Expenses	3.90	3.77
Bad Debts And Advances Written Off	0.00	1.71
Donation Expense	0.00	1.00
	446.85	**405.90**
Total	**458.21**	**422.18**

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

(Rs. in Lakhs)

		2025-26	2024-25
25.01	**Payment to Auditors:**		
	Statutory Audit Fees	5.25	5.25
	Limited review	3.75	3.75
	Reimbursement of out of Pocket Expenses	0.54	0.17
	Total	**9.54**	**9.17**

25.02 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. 2025-26, the provisions of Section 135 (1) of the Companies Act, 2013 were applicable. The amount has been spent by the Company during the Financial year 2025-26 Rs.17.50 Lakh (Previous year: Rs.10.60 Lakh) towards the CSR activities.

(c) The Company has spent an aggregate amount of Rs.17.50 Lakh (Previous Year Rs.10.60 Lakh) for Conservation of natural resources, contribution to R & D, Rural Development, Promoting education and healthcare etc.

(Rs. in Lakhs)

The amounts expended are as follows:		**2025-26**	**2024-25**
i)	Construction / acquision of any asset	0.00	0.00
ii)	for purposes other than (i) above	**17.50**	**10.60**
(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.	Refer Note 25.02 (c) above	N.A

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2026 (Contd.)

(Rs. in Lakhs)

		2025-26	2024-25
Note: 26 Other Comprehensive Income			
	Items that will not be Reclassified to Profit or (Loss)		
(i)	**Changes in Revaluation Surplus:**		
	Actuarial Gain/(Loss) on Gratuity	(4.27)	(1.27)
	Actuarial Gain/(Loss) on Leave Encashment	0.00	0.00
	Gain/(Loss) on Revaluation of Investments	0.00	0.00
		(4.27)	**(1.27)**
(ii)	**Income tax relating to items that will not be reclassified to Profit or (Loss)**		
	Deferred Tax	1.07	0.00
	Total	**(3.20)**	**(1.27)**

		2025-26	2024-25
Note: 27 Earning Per Share			
(a)	Net Profit attributable to shareholders from Operations (Rs. in Lakhs)	1097.60	1166.01
(b)	Weighted average number of Equity Shares outstanding (nos. in Lakhs)	2220.64	2220.64
(c)	Basic and Diluted Earnings per share (Rs.) from Operations	0.49	0.53

Additional Information to Financial Statements for the year ended 31st March, 2026

Note: 28 Contingent Liabilities:

The Company does not have any claims or contingent Liabilities for the year. (Previous year: NIL)

Note: 29 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	31st March, 2026	31st March, 2025
Total Debt (Rs.in Lakhs)	0.00	0.00
Total Equity (Rs.in Lakhs)	22777.06	21682.66
Debt to Equity Ratio	0.00%	0.00%

Note: 30 Financial Instruments:

30.01 Categories of Financial Instruments and Fair Value Measurement:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Ind AS 113 – Fair Value Measurement. An explanation of each level is as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

Additional Information to Financial Statements for the year ended 31st March, 2026 (Contd.)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31st March, 2026 and 31st March, 2025:

Categories of Financial Instruments:

(Rs. in Lakhs)

	As at Mar 31, 2026		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets			
Investments	5,447.33	-	10,371.95
Trade receivables	-	-	-
Cash and cash equivalents	-	-	896.78
Bank balances other than (iii) above	-	-	-
Loans and Advances	-	-	12.14
Others financial assets		-	174.65
	5,447.33	**-**	**11,455.52**
Financial liabilities			
Borrowings	-	-	-
Trade Payables	-	-	22.91
Lease Liabilities	-	-	157.92
Other financial liabilities	-	-	41.52
	-	**-**	**222.35**

(Rs. in Lakhs)

	As at Mar 31, 2025		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets			
Investments	4,824.49		9,075.76
Trade receivables	-	-	-
Cash and cash equivalents	-	-	100.73
Bank balances other than (iii) above	-	-	-
Loans and Advances	-	-	506.07
Others financial assets	-	-	191.85
	4,824.49	**-**	**9,874.41**
Financial liabilities			
Borrowings	-	-	-
Trade Payables	-	-	22.16
Lease Liabilities	-	-	169.53
Other financial liabilities	-	-	33.79
	-	**-**	**225.48**

Additional Information to Financial Statements for the year ended 31st March, 2026 (Contd.)

Fair Value Hierarchy and Method of Valuation

(Rs. in Lakhs)

Financial Assets	As at Mar 31, 2026				
	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL					
Investment in Mutual Fund and Quoted Shares	5,447.33	5,447.33			5,447.33
Measured at Cost					
Investment in AIF	9,542.07		9,542.07		9,542.07
Investment in Equity Instruments (Unquoted)	794.88		794.88		794.88
Investment in CCPS	35.00		35.00		35.00
Investment in Public Sector Unit (PSU) Bonds	-				

(Rs. in Lakhs)

Financial Assets	As at Mar 31, 2025				
	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL					
Investment in Mutual Fund and Quoted Shares	4,824.49	4,824.49			4,824.49
Measured at Cost					
Investment in AIF	7,745.77		7,745.77		7,745.77
Investment in Equity Instruments (Unquoted)	794.88		794.88		794.88
Investment in CCPS	35.00		35.00		35.00
Investment in Public Sector Unit (PSU) Bonds	500.11		500.11		500.11

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.

30.02 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.

Additional Information to Financial Statements for the year ended 31st March, 2026 (Contd.)

Credit Risk: The risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Outstanding customer receivables are regularly monitored. The Company maintains its cash and cash equivalents and deposits with banks having good reputation and high quality credit ratings.

In addition, the Company is exposed to credit risk in relation to deposits related to lease premises. These deposits are not past due or impaired.

Liquidity Risk: The risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

“The Company does not have any sanctioned borrowing facilities as of the reporting date”

Foreign Currency Risk Management:

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arise. Exposure to currency risk relates primarily to the company’s operating activities and borrowings when transactions are denominated in a different currency from the Company’s functional currency.

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

Foreign Currency Exposure:

The Company does not have Foreign Currency exposure as on reporting date.

Note: 31 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.

Additional Information to Financial Statements for the year ended 31st March, 2026 (Contd.)

f) The weighted average incremental borrowing rate applied to lease liabilities is 9.15%.

(A) Leases as lessee

(i) The movement in Lease liabilities during the year

(Rs. in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening Balance	169.53	180.12
Additions during the year	-	-
Deletion during the year	-	-
Finance costs incurred during the year	15.03	16.04
Payments of Lease Liabilities	26.64	26.63
Balance as at 31st March, 2026	**157.92**	**169.53**

(ii) The carrying value of the Rights-of-use Assets and depreciation charged during the year

For details pertaining to the carrying value of right of use of assets as on 31st March, 2026 is Rs.136.54 Lakhs and previous year is Rs.157.02 Lakhs and depreciation charged thereon during the year of Rs.20.48 Lakhs. (Previous year Rs.20.48 Lakhs).

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

(iii) Maturity analysis of lease liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Maturity Analysis of contractual discounted cash flows		
Less than one year	13.72	11.61
One to five years	121.49	103.65
More than five years	22.71	54.27
Total discounted Lease Liability	**157.92**	**169.53**
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	27.64	26.64
One to five years	163.52	147.34
More than five years	23.49	93.95
Total undiscounted Lease Liability	**214.65**	**267.93**
Balances of Lease Liabilities		
Non Current Lease Liability	144.20	157.92
Current Lease Liability	13.72	11.61
Total Lease Liability	**157.92**	**169.53**

Additional Information to Financial Statements for the year ended 31st March, 2026 (Contd.)

Note: 32 Ratio Analysis:

Ratios		Numerator	Denominator	31st March, 2026	31st March, 2025	% Variance	Reason for Variance
(a)	**Current Ratio (Times)**	Current Assets	Current Liabilities	39.76	92.75	-57.13%	Decrease in Inventory
(b)	**Debt Service Coverage Ratio (Times)**	Net profit after taxes + Exception items + Noncash operating expenses (depreciation) + Finance costs + Other adjustments	Total Debt (Non-current borrowings + Current Borrowings + Finance Lease Liability)	27.98	23.31	20.02%	Increase in Net Profit
(c)	**Return on Equity Ratio (%)**	Net Profit after taxes	Average Shareholder's Equity	4.94	5.53	-10.67%	Decrease due to higher tax effect
(d)	**Net profit Ratio (%)**	Net Profit after taxes	Sale of Products	10.16	16.99	-40.20%	Decrease due to higher turnover & Lower Return
(e)	**Return on Capital Employed (%)**	Earnings before interest and taxes (Loss before taxes + Finance costs)	Capital employed (Tangible Net worth + Total Debt)	6.43	4.33	48.50%	Increase in PBT due to Sale of Art & Artifacts
(f)	**Return on Investment (%)**	Income on Investment	Cost of Investment	8.28	10.63	-22.11%	Decrease due to Adverse Equity Market Condition
(g)	**Inventory Turnover Ratio (Times)**	Cost of Goods Sold	Average Inventory	11.84	4.26	177.93%	Higher turnover during the year and Nil Inventory at year end
(h)	**Net Capital Turnover ratio (Times)**	Net sales	Working Capital	1.43	0.77	85.15%	Efficient use of working capital and also increase in sales during the year

Note 1: Considering the nature of operating activities of the Company , all sales and purchase transactions are realised/settled on immediate basis. Accordingly, no trade receivables and trade payables related to operations remain outstanding as at the reporting date and hence the Trade Receivables Turnover Ratio and Trade Payables Turnover Ratio are not applicable.

2: Lease Liability has not been considered for calculating Debt Equity Ratio.

Additional Information to Financial Statements for the year ended 31st March, 2026 (Contd.)

Note: 33 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	2025-26	2024-25
Within India *	11134.58	6863.70
Outside India	0.00	0.00
Total	**11134.58**	**6863.70**

*Revenue from Commodities contracts measured on a mark-to-market basis does not have an identifiable customer location. As geographic disaggregation of such revenue is not practicable, the same has been classified under 'Within India' for the purpose of disclosure.

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

1 Aadi Imports Pvt. Ltd.

2 Shree Siddhivinayaka Cotton Corp.

3 Opj Trading Private Limited.

4 Kifs Finstock Limited.

Note: 34 As per Regulation Ind AS 24, the disclosures of transactions with the related party are given below:

34.01 List of related parties where controls exists and Relationships:

Sr. No.	Name of Related Party	Designation	Nature of Relationship
1	Mr. Alok P. Shah	Managing Director	Key Managerial Personnel (KMP)
2.	Mr. Suhail P. Shah	Wholetime Director	Key Managerial Personnel (KMP)
3.	Mr.Praful A. Shah	N.A.	Relative of KMP
4.	Mr. Paresh V. Chothani	Wholetime Director	Key Managerial Personnel (KMP)
5.	Ms. Kruti G. Kothari	Non-Executive Director (Independent)	Non-Executive Director (Independent)
6.	Mr. Deepak N. Shah	Non-Executive Director (Independent)	Non-Executive Director (Independent)
7.	Mr. Manish J. Gandhi	Non-Executive Director (Independent)	Non-Executive Director (Independent)
8.	Mr. Chandresh S. Punjabi	Chief Financial Officer	Key Managerial Personnel (KMP)
9.	Ms. Mahek Gaurav Jaju (upto 30-04-2026)	Company Secretary & Compliance Officer	Key Managerial Personnel (KMP)
10.	Ankita Prasiddha Shroff (w.e.f 26.05.2026)	Company Secretary & Compliance Officer	Key Managerial Personnel (KMP)
11.	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.

Additional Information to Financial Statements for the year ended 31st March, 2026 (Contd.)

34.02 Transactions During the year with Related Parties:

(Rs. in Lakhs)

Sr. No.	Name and Nature of Transactions of Related Parties	Relationship	2025-26	2024-25
1	**Leave & Licence Fees & Reimbursement of Expenses**			
	Sorrento Textiles Private Limited	Group Company	71.77	71.73
	Mr. Praful A. Shah	Relative of KMP	0.60	0.60
2	**Sale of Art & Artifacts**			
	Mr. Alok P. Shah	KMP	811.25	0.00
3	**Payment to Key Managerial Personnel and their Close Members***			
	Mr. Alok P. Shah	KMP	4.80	4.80
	Mr. Suhail P. Shah	KMP	3.00	3.00
	Mr. Paresh V. Chothani	KMP	16.90	15.90
	Mr. Chandresh S. Punjabi	KMP	32.54	23.84
	Ms. Mahek Gaurav Jaju (upto 30.04.2026)	KMP	5.45	5.36
	Balance as at 31st March, 2026			
	Sorrento Textiles Private Limited	Group Company		
	Trade Creditors		7.61	7.62

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

34.03 Post Employment Benefit*

(Rs. in Lakhs)

Name and Nature of Transactions of Related Parties	Relationship	2025-26	2024-25
Mr. Alok P. Shah	KMP	1.27	1.04
Mr. Suhail P. Shah	KMP	0.79	0.65
Mr. Paresh V. Chothani	KMP	2.56	1.81
Mr. Chandresh S. Punjabi	KMP	6.27	4.86
Ms. Mahek Gaurav Jaju (upto 30.04.2026)	KMP	0.59	0.39

* Post employment benefit represents contribution to provident fund and Gratuity.

34.04 Director Sitting fees

(Rs. in Lakhs)

Name and Nature of Transactions of Related Parties	Relationship	2025-26	2024-25
Mr. Deepak N. Shah	Non-Executive Director (Independent)	2.25	2.20
Mr. Ketan A. Jariwala	Non-Executive Director (Independent)	0.00	1.20
Ms. Kruti G. Kothari	Non-Executive Director (Independent)	1.60	1.60
Mr. Manish J. Gandhi	Non-Executive Director (Independent)	1.80	0.80

Additional Information to Financial Statements for the year ended 31st March, 2026 (Contd.)

Note: 35 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31st March, 2026.

Note: 36 Contribution to Political parties during the year 2025-26 is Rs.Nil (Previous Year Rs.Nil).

Note: 37 The Company has No borrowings from banks or financial institutions on the basis of security of current assets.

Note: 38 Additional Regulatory Information

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

i. The Company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties, which are repayable on demand or where the agreement does not specify any terms or period of repayment.

ii. There are no proceeding initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder as at March 31st 2026.

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 32.

v. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding, that the Intermediary shall:

   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

   (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vi. The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding, that the Company shall:

   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vii. The Company has not been declared Wilful Defaulter by any bank or financial institutions or any other lender.

viii. The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

ix. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

x. The company has not revalued its property, plant equipment (including right of use assets) or intangible assets or both during the current or previous year.

xi. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

Additional Information to Financial Statements for the year ended 31st March, 2026 (Contd.)

Additional Information

Additional Information pursuant to Clause 7(l) of General Instructions for preparation of Statement of Profit and Loss as given in Part II of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

i. The Company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

ii. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note: 39 Consequent to introduction of New Labour Codes w.e.f. 21st November 2025, pending promulgation of rules in this regard, the Company on provisional basis made its assessment. Based on management assessment and the best information available, and in line with the Institute of Chartered Accountants of India (ICAI) guidance, the incremental impact of these changes is not material to the financial results for the quarter and year ended 31st March 2026. Further, the Company will assess the financial implications, if any, against these codes and will account for the same, subsequent to promulgation of the related Rules.

Note: 40 The proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) AmendmentRules 2021 requires companies, which uses accounting software for maintaining its books of accounts, to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled.The Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Further, where the audit trail (edit log) facility was enabled and operated at operational level but not on database level, the audit trail feature has not been tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention .

Note: 41 Figures for the previous year have been regrouped/reclassified/restated wherever necessary.

Note: 42 The financial statements are approved by the Company's Board of Directors on 26th May, 2026.

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

Ankita Prasiddha Shroff
Company Secretary
(ICSI M. No. A36425)
Mumbai, 26th May, 2026

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SURAT TRADE AND MERCANTILE LIMITED