



**36TH
Annual Report
2020-21**

SHANTAI INDUSTRIES LIMITED
(FORMERLY KNOWN AS WHEEL AND AXLE TEXTILES LIMITED)

CORPORATE INFORMATION

BOARD OF DIRECTORS

- Harish F. Sawlani
-Chairman & Managing Director
- Vasudev F. Sawlani
-Managing Director
- Vandanaben Satishbhai Dalal
-Independent Director
- Omprakash V. Lakhwani
-Independent Director
- Reena H. Sawlani
-Non Executive Director

CHIEF FINANCIAL OFFICER(CFO)

- Shailesh J. Damor

COMPANY SECRETARY

- Rajvi Sheth from 07.11.2020

STATUTORY AUDITORS

- S. Ramanand Aiyar & Co.
Chartered Accountant
501/502, 5th Floor, Umerji House,
Opp. Imperial Hotel, Telli Gully
Above Bank of Baroda,
Andheri (East), Mumbai
Email: mumbai@sraco.in

REGISTERED OFFICE

- 820, Golden Point, Nr. Telephone Exchange,
Begampura, Falsawadi,
Ring Road, Surat 395003
- CIN: L74110GJ1988PLC013255
- Email: shantaiindustriesltd@gmail.com
- Website: www.shantaiindustrieslimited.com

REGISTRAR AND SHARE TRANSFER AGENT

- MCS Share Transfer Agent Ltd.
10, Aaram Apartment,
12, Sampatrao Colony, Alkapuri,
Vadodara 390007

BANKERS

- Bank Of Baroda
- Kotak Mahindra Bank
- IDBI Bank Ltd

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SHANTAI INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 36th Annual General Meeting of Members of SHANTAI INDUSTRIES LIMITED (Formerly Known as Wheel and Axle Textiles Limited) (CIN: L74110GJ1988PLC013255) will be held at office of the Company at 741, Golden Point, Nr. Telephone Exchange , Begampura, Falsawadi, Ring Road, Surat 395003 on Friday, 24th September, 2021 at 04.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted

2. To appoint a Director in place of Shri Harishbhai Fatandas Sawlani (DIN: 00831848), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Vasudev Fatandas Sawlani (DIN: 00831830), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.

3. To appoint M/s. DSI & Co., Chartered Accountant., (FRN No. 127226W) as Statutory Auditors of Company and fix their remuneration for Period of Five Years up to financial year ending 31/03/2026 and in this regard, pass the following resolution as an **Ordinary Resolution**.

RESOLVED THAT pursuant to the provisions of Section- 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. DSI & Co., Chartered Accountant., (FRN No. 127226W) be and is hereby appointed as Auditor of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company to be held in the year 2026, at such remuneration as may be agreed upon between the Board of Directors and Statutory Auditors, in addition to the reimbursement of service tax and actual out of pocket expenses incurred in relation with the audit of accounts of the Company.

For Shantai Industries Limited

Place : Surat

Date: 19/08/2021

Sd/-

Harishbhai F. Sawlani

(DIN: 00831848)

Chairman and Managing Director

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Explanatory Statement giving Document and Information to Shareholder Pursuant Regulation 36 of SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 In respect of item no.3 of Agenda

It is proposed to change the statutory auditors of the company since existing auditors have resigned.

The board of Directors at their meeting held on 19/08/2021 proposed to appoint new auditors to fill up casual vacancy. The fees payable to new auditor shall be decided by board of directors considering the quantum of working of company. the new auditors are eligible to be appointed and have sufficient expertise and experience in the opinion of board of Directors. There is no other rational since appointment of new auditor is required on account of voluntary resignation of previous auditors.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. In order that the appointment of a proxy is effective, the instrument appointing a proxy must be received at the registered office of the company not later than forty-eight hours before the commencement of the meeting.
A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A Member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.
3. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant board resolution together with the representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
4. In case of joint holders attending the meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.
5. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Company's registered office on all working days of the Company, during business hours up to the date of the meeting.
6. The Register of Members and Share Transfer Books of the company will be closed from 18th September, 2021 to 24th September, 2021 both days inclusive.
7. Members are requested to send all communications relating to shares to the Registrar & Share Transfer Agent of the Company at the following address:
MCS Share Transfer Agent Ltd.
10, Aaram Apartment, 12, Sampatrao Colony,
Alkapuri, Vadodara 390007
The members holding shares in electronic/ demat form, are required to furnish details of change of address and change in the Bank Accounts, etc. to the respective Depository Participants (DPs)
8. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

9. INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING ARE AS UNDER

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 36th Annual General Meeting. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. It may be noted that this e-voting facility is optional. In order to facilitate those Members, who do not wish to use the e-voting facility, the company is enclosing a Ballot form, resolution passed by members through e-voting or ballot forms are deemed to have been passed as if they have been passed at Annual General Meeting.

The e-voting facility will be available at the link <https://www.evotingindia.com> during the following voting period:

Commencement of e-voting: 9.00 a.m. on Tuesday, 21st September, 2021 and ends on 5.00 p.m. on Thursday, 23rd September, 2021.

2. Notice calling the AGM has been uploaded on the website of the Company at www.shantaiindustrieslimited.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
3. E-voting shall not be allowed beyond 5.00 p.m. on Thursday, 23rd September, 2021. During the e-voting period, shareholders of the Company, holding shares, as on Friday, 17th September, 2021 may cast their vote electronically.
4. Members can opt for only one mode of voting i.e. either by Ballot Form or e-voting. In case members cast their votes through both modes, voting done by e-voting shall prevail and vote casted through Ballot Form shall be treated as invalid.
5. The facility for voting through ballot paper shall also be made available at the AGM and the members attending the Meeting shall be able to exercise their rights to vote at the Meeting through ballot paper in case they have not cast their vote by remote e-voting.
6. The members who have casted their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
7. The Company has appointed Mr. Kunjal Dalal, Proprietor K. Dalal & Co., Practicing Company Secretaries, as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING UNDER:

- (i) The voting period begins on 9.00 a.m. on Tuesday, 21st September, 2021 and ends on 5.00 p.m. on Thursday, 23rd September, 2021. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 17th September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>(1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>(2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period.</p> <p>(3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>(4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</p>
Individual Shareholders holding securities in Demat mode with NSDL	<p>(1) If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

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Type of shareholders	Login Method
	<p>(2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com.</p> <p>(3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period.</p>

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

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

Login type	Helpdesk Details
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>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 and 22-23058542-43</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>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</p>

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- (iv) Login method for e-Voting for **shareholders other than individual shareholders & physical shareholders.**
- (1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (2) Click on "Shareholders" module
 - (3) Now enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (c) Shareholders holding shares in Physical Form should enter Folio Number registered with the company.
 - (4) Next enter the Image Verification as displayed and Click on Login.
 - (5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - (6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> ● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the **Shantai Industries Limited** on which you choose to vote.

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- (ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) **Facility for Non Individual Shareholders and Custodians Remote Voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; shantaiindustriesltd@gmail.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORY FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- (1) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

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- (2) For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-230 58542/43.

By Order of the Board
For Shantai Industries Limited

Place: Surat
Date: 19/08/2021

Sd/-
Harishbhai F. Sawlani
(DIN: 00831848)
Chairman and Managing Director

Information in respect of appointment / re-appointment of director at Annual General Meeting Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	
Name of Director	Mr. Harishbhai Fatandas Sawlani
Age	61Years
Qualifications	D. Tex.
Experience	34 Years
Nature of Expertise	Administration
Inter-se Relationship	Brother of another Managing Director Shri Vasudev Fatandas Sawlani.
Name of the listed entity in which person holds directorship and membership of committee of board	Nil
Shareholding of non- executive directors	Not Applicable

BOARD OF DIRECTOR'S REPORT

To
The Members,
Shantai Industries Limited
(Formerly Known As Wheel And Axle Textiles Limited)

Your directors present Annual report on the business and operations of the company to gather with Audited Statement of Accounts of the company for the year ending 31st March 2021.

The particulars pursuant to sub section 3 of section 134 of the companies act, 2013 are given below.

a) **The web address, if any, where annual return referred to in sub-section (3) of section 92 has been placed:**

The Annual Return of the company as on 31st March, 2021 is available on the Company's website on www.shantaiindustrieslimited.com.

b) **Number of meetings of the Board:**

During the year 2020-21, 7 meetings of Board of Directors were held on 26.06.2020, 25.08.2020, 28.08.2020, 09.09.2020, 12.11.2020, 10.02.2021 and 17.02.2021.

c) **Director's Responsibility Statements:**

The director's state that:

- i) In the preparation of annual accounts for the financial year ended 31st March 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) The directors had 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 as at 31st March, 2021 and of the profit/loss of the company for that period;

d) **A Statement on Declaration given by Independent Directors under sub-section (6) of section 149.**

The independent Directors have submitted declaration pursuant to Section 149(7) confirming that he meets the criteria of independence pursuant to section 149(6). The statement has been noted by Board of Directors.

e) **If Company covered under sub-section (1) of section 178, company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and other matter provided under sub-section (3) of section 178.**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of director and key managerial personal and their remuneration. In pursuance of provision to section 178(3) of the companies Act 2013, the Company has placed policy on website of the Company www.shantaiindustrieslimited.com.

The Company does not pay any remuneration to the Non-Executive/Independent Directors of the company other than sitting fees for attending the meeting of the Board/Committee. Remuneration to the Whole Time Director/Managing Director is governed by the relevant provisions of the Companies Act, 2013.

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- f) **Explanations or comments by the board on every qualification, reservation or adverse remark or disclaimer made by the auditor in his report / by the company secretary in practice in his secretarial audit report.**

The statutory auditors have not made any qualifications, reservations or adverse remarks or disclaimer in the report and no explanation or comments by the board is required.

The Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013 in prescribed Form MR-3 is attached to as "Annexure A" to this report.

- g) **Particulars of loans, guarantees or investments under section 186 of Companies act, 2013**

Company has not during the year under review (a) given any loan to any person or other body corporate (b) Given any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) Acquired by way of subscription, purchase or otherwise, the securities of any other body corporate, Exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more and hence the particulars are not required to be included in this report.

- h) **Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form (Form AOC-2)**

The company has entered into transactions referred to in section 188(1) of The Companies Act, 2013 with related party and as such particulars in form AOC-2 are attached to this report.

FORM AOC-2

Material related party Transactions

- i) **Details of contract or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2021 which were not at arm's length basis

- ii) **Details of material contracts or arrangements or transactions at arm's length basis:**

The details of material contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2021 are as follows.

Sr. No.	Name of the Related Party	Nature of Transaction	Duration	Salient Terms	Amount
01.	Murlibhai F Sawlani	Salary	Ongoing	On arm's length basis in ordinary course of business	10,50,000/-
02.	Sawlani Silk Mills	Rent			60,000/-
03.	Shantai Technologies Limited	Rent			60,000/-
04.	Shantai Technologies Limited	Reimbursement of Expenses			4,602/-

- i) **The state of Company's affairs**

There is no Material change in the state of affairs of the company particularly nature of business being carried out.

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The income from operations for the year has decreased from Rs. 10,92,49,767/- in the year 2019-20 to Rs. 49,11,230/- in the year 2020-21. The company has incurred loss of Rs. 1,00,27,469/- against loss of Rs. 9,67,399/- in the Previous Financial year.

The Company has not issued any share capital or Debentures during the year. There is no change in the status of the company or the accounting year.

- j) **The amount, if any, which it proposes to carry to any reserves**
The Directors do not propose to carry any amount to reserves.
- k) **The amount, if any, which it recommends should be paid by way of dividend**
The Directors do not recommend any amount to be paid by way of dividend.
- l) **Material Changes and commitments, if any, Affecting the Financial Position of the Company which have occurred between the Ends of the financial year of the company to which the financial statements relate and the date of the report.**

There are no material changes and/or commitments affecting financial position of the Company occurred after end of financial year till date of this report.

- m) **The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo in such manner as may be prescribed.**

Information and details pursuant to Rule 8(3) of the companies (Accounts) Rules, 2014 with respect to above is given below.

(A) CONSERVATION OF ENERGY-

- i) The steps taken or impact on conservation of energy: NIL
- ii) The steps taken by the company for utilizing alternate sources of energy: NIL
- iii) The capital investment on energy conservation equipments: NIL

(B) TECHNOLOGY ABSORPTION-

- i) The efforts made towards technology absorption: Not Applicable
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable
- iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - a. The details of technology imported : Not Applicable
 - b. The year of import: Not Applicable
 - c. Whether the technology been fully absorbed: Not Applicable
 - d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable and
- iv) The expenditure incurred on Research and Development: NIL

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO-

Foreign Exchange earned (actual inflows during the year): Rs. 7500536/-

Foreign Exchange outgo (actual outflows): NIL

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- n) **A statement including development and implementation of a Risk Management Policy for the company including identification therein of elements of risk, if any, which in the opinion of the board may threaten the existence of the company;**

The Directors do not foresee any risk that may threaten the existence of the company in normal course. The Directors have however formulated Risk management policy which is posted on website.

- o) **The details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;**

Since the net worth of the company is below Five Hundred crores, Turnover of the company is below one thousand crores, Net Profit of the company is below five crores. The provision of Section 135 of The Companies Act, 2013 is not applicable to the company and hence the company is not required undertake any corporate Social Responsibility (CSR) initiatives The policy thereof shall be framed when required.

- p) **In case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors:.**

Pursuant to provision of the Companies Act, 2013 the board has carried out the annual performance evaluation of its own performance as well as the evaluation of the Audit Committee and Nomination & Remuneration Committee.

The chairman of Board of directors and the chairman of Nomination & remuneration Committee met all the directors individually to get an overview of the functioning of the board and its constituents inter alia on the following board criteria i.e. attendance and level of participation, independence of judgment exercised by independent directors, interpersonal relationship etc.

Based on the valuable inputs received, the directors are encouraged for effective role in company's management.

- q) **Such other matters as may be prescribed.**
(Pursuant to rule 8(5) of The Companies (Accounts) Rules, 2014)

- i) **The Financial summary or highlights**
The summary of financial Results (standalone) for the year under review is as under:-

Particulars	As on 31/03/2021	As on 31/03/2020
Turnover and other income	52,57,813	10,95,64,812
Finance Cost	2,19,748	8,12,577
Depreciation and amortisation Expenses	75,714	1,72,813
Profit/Loss (-) before depreciation	(99,86,546)	(9,90,187)
Profit /Loss(-) After Tax for the year	(1,00,27,469)	(9,67,399)

SHANTAI INDUSTRIES LIMITED

ii) The Change in the nature of business, if any:

There is no Material change in nature of business of the company.

iii) The Details of Directors or key managerial personnel who were appointed or have resigned during the year:

During the Year there are changes in directors and Key Managerial Personnel of the company as under:

Director	Designation	Date of Appointment	Date of Resignation
Vandanaben Satishbhai Dalal	Independent Director	26/09/2020	
Kiran Narharibhai Doshi	Independent Director		28/08/2020
Rajvi Ashvinkumar Sheth	Company Secretary	07/11/2020	
Shweta Chintan Shah	Company Secretary		30/10/2020

iiia) a statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year;

Smt Vandanaben Satishbhai Dalal has registered herself as Independent Director in 'The Independent Director databank' maintained with the Indian Institute of Corporate Affairs (IICA) and has been appointed as Director of the Company in Category of Independent Director. In the opinion of the Board of Directors of the Company Independent Director possess high integrity expertise and experience including the proficiency required to discharge the duties and responsibilities as Directors of the Company and fulfill the conditions in laid down under Companies Act, 2013.

iv) The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year;

No company has become or ceases to be subsidiary, joint venture or associate company.

v) The details relating to deposits, covered under Chapter V of the Act,-

(a) Accepted during the year: NIL

(b) Remained unpaid or unclaimed as at the end of the year: NIL

(c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-

(i) At the beginning of the year: Not Applicable

(ii) Maximum during the year: Not Applicable

(iii) At the end of the year: Not Applicable

vi) The details of deposits which are not in compliance with the requirements of Chapter V of the Act: NIL

vii) The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future: NIL

viii) The details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The company has in place adequate internal financial controls with reference to financial statements. Periodic audits are undertaken on continuous basis covering all major operation. During the year no Reportable Material weakness in the operation was observed.

SHANTAI INDUSTRIES LIMITED

ix) Disclosure pursuant to Clause ix of sub rule 5 of Rule 8 of the Companies Account rule, 2014
Maintenance of Cost Record has not been specified by Central Government.

x) Disclosure pursuant to Clause x of Sub rule 5 of Rule 8 of the Companies Account rule, 2014

The Company is not required to constitute Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Disclosures under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.		
Sr. No.	Requirement under Rule 5(1)	Details
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	6:1
(ii)	The percentage increase in remuneration of each director, chief financial officer, Chief Executive officer, company secretary or manager, in the financial year.	Company Secretary (CS) - 33.33% increase
(iii)	The percentage increase in the median remuneration of employees in the financial year	No increase
(iv)	Number of permanent employees on the rolls of the company as on 31 st March, 2021.	7
(v)	Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	NA
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company.	The company affirms remuneration as per the remuneration policy of the company.
Requirement under Rule 5(2)		
No Employee of the company has been paid Remuneration in excess of limits laid down in rule 5(2) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence statement showing details thereof is not applicable.		

❖ Audit Committee:

An Audit Committee is in existence in accordance with the provisions of Section 177 of the Companies Act, 2013. After resignation of Shri Kirankumar Narharibhai Doshi, member of Audit Committee, revised composition of the Audit Committee is Shri Omprakash Vishandas Lakhwani, Smt Vandana Ben Satishbhai Dalal and Mr. Harishbhai Fatandas Sawlani. Shri Omprakash Vishandas Lakhwani is the Chairman of the Audit Committee. During the year there was no instance where the board had not accepted the Recommendation of Audit Committee.

❖ Vigil Mechanism/Whistle Blower Policy

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

SHANTAI INDUSTRIES LIMITED

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

Shri Omprakash Vishandas Lakhwani, the Chairman of the Audit Committee can be contacted to report any suspected/confirmed incident of fraud/misconduct on:

Email: shantaiindustriesltd@gmail.com

Contact no.: 9726025000

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

The Board of Directors place on records the services of all stakeholders and associates who have co-operated in the working of the Company.

By Order of the Board
For Shantai Industries Limited

Place: Surat

Date: 12/08/2021

Sd/-
Harishbhai F. Sawlani
(DIN: 00831848)
Chairman and Managing Director

SHANTAI INDUSTRIES LIMITED

"Annexure A"

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial year Ended on 31st March, 2021

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

To,

The Members

Shantai Industries Limited (Formerly Known As Wheel And Axle Textiles Limited)

820, Golden Point, Nr. Telephone Exchange,
Begampura, Falsawadi, Ring Road, Surat 395003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shantai Industries Limited (Formerly Known As Wheel And Axle Textiles Limited) (CIN: L74110GJ1988PLC013255)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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 authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed here under 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Shantai Industries Limited** for the financial year ended on 31st March, 2021 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under;
 - ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - iv. 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, 1992/2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period);

SHANTAI INDUSTRIES LIMITED

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period);**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company 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;
- g) The securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period);** and
- h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period);**

We 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. We report that the Company has complied with the provisions of those Acts that are applicable to Company.

As per information given to us no sector specific laws are applicable to the company.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to notified Secretarial Standards as on 31st March, 2021;
- ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, *except to the extent that:*

1. **Certain Newspaper advertisements were not produced before us.**

We further report that:

The compliance by the company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other designated professionals.

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 period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at the Board Meetings, as represented by the management, were taken unanimously.

We further report that as per the explanations given to us and the representation made by the Management and relied upon by us there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

SHANTAI INDUSTRIES LIMITED

We further report that during the audit period there were no instances of:

- i. Public / Right / Preferential issue of shares / debentures / Sweat equity, etc.
- ii. Redemption / buy-back of securities
- iii. Major decisions taken by the Members in pursuance to section 180 of the Companies Act, 2013
- iv. Merger / amalgamation / reconstruction etc.
- v. Foreign technical collaborations.

Place: Surat

Date: 11/08/2021

UDIN: F003530C000767766

Peer Review Certificate No.1315/2021

Unique Code Number: 1496

For K. Dalal & Co.
Company Secretaries

Sd/-

Kunjal Dalal

Proprietor

FCS No. 3530 COP No. 3863

Note: This report is to be read with our letter of even date which is annexed as 'Annexure-I' and forms an integral part of this report.

SHANTAI INDUSTRIES LIMITED

'Annexure-I'

To,
The Members
Shantai Industries Limited (Formerly Known As Wheel And Axle Textiles Limited)
820, Golden Point, Nr. Telephone Exchange,
Begampura, Falsawadi, Ring Road, Surat 395003

Our secretarial audit 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. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We 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 basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Surat
Date: 11/08/2021
UDIN: F003530C000767766
Peer Review Certificate No.1315/2021
Unique Code Number: 1496

For K. Dalal & Co.
Company Secretaries

Sd/-
Kunjal Dalal
Proprietor
FCS No. 3530 COP No. 3863

SHANTAI INDUSTRIES LIMITED

❖ Disclosures pursuant to Regulation 34(3) and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

A. Related Party Disclosure

Sr. No.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1.	Holding Company	<ul style="list-style-type: none">Loans and advances in the nature of loans to subsidiaries by name and amount: NILLoans and advances in the nature of loans to associates by name and amount: NILLoans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: NIL
2.	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company: NIL
3.	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan: NIL

Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results: **NIL**

B. Management Discussion And Analysis Report:

❖ Competitive Position:

(a) Industry structure and developments:

For the Textiles industry, the global focus is shifting from China to India due to cost and stability factors. The government's positive steps are expected to help this shift and if foreign investments in textiles retail materialize, the consumption of the textile product in the domestic market should increase in the years to come. Recently, Government has withdrawn the requirement of export contract registration for cotton and cotton yarn and now these are in free list, without any requirement of registration, which should boost export of cotton yarn and simultaneously, the domestic market is expected to improve.

The Indian Textile and apparel industry has been a significant contributor to the Indian economy and continues to play a pivotal role in India's growth story through its contribution to industrial output, employment generation and export earnings. India is one of the few countries with a complete and integrated value chain having production at each level of textile manufacturing at with an overall annual growth of Indian textile industry can be divided into several segments, some of which can be listed as below:

- Cotton Textiles
- Silk Textiles
- Woolen Textiles
- Readymade Garments
- Hand crafted Textiles
- Jute and Coir

SHANTAI INDUSTRIES LIMITED

(b) Opportunities and Threats:

Opportunities:

1. Increase in consumption pattern across the country along with the rising demand for high quality premium fabrics.
2. Large and potential domestic and international market. Promising export potential.

Threats:

1. Pricing pressure due to opening up of quotas.
2. Enhanced competition from other countries.
3. Rising production cost from increasing wages, power and interest cost.
4. Non Availability of Raw material due to GST.

(c) Product-wise performance:

Particulars	Unit	Sales (Quantity)	Sales (Amount)
Finished Goods (5407)	Mtr.	23345.00	2798250.01
Finished Goods (5515)	Mtr.	8723.91	311879.78

(d) Outlook:

We are hopeful of a better year ahead.

(e) Risks and concerns:

Risk is an inherent part of any business. There are various types of risks, that threaten the existence of a company like Strategic Risk, Business Risk, Finance Risk, Environment Risk, Personnel risk, Operational Risk, Reputation Risk, Regulatory Risk, Technology Risk, Political Risk etc. Your company aims at enhancing and maximizing shareholders value by achieving appropriate trade off between risk & returns.

The fluctuations in foreign exchange adversely impacted exports and long term export orders cannot be booked in view of the uncertainty in exchange rates. India has already started losing its markets and export orders and countries like Pakistan, Bangladesh, Sri Lanka and Vietnam which have duty free access, are now grabbing the market share.

Input costs including power and labour, are extraneous factors which make it difficult for the company to face competition from China, Pakistan and Bangladesh.

(f) Internal control systems and their adequacy:

The company has adequate internal control systems and is in process of further strengthening the existing internal control systems. The financial statements are reviewed periodically by the management. The company has set up an internal Audit trail whereby deviations, if any, can be brought to the notice of the management quickly and remedial actions are initiated immediately.

(g) Discussion on financial performance with respect to operational performance:

Particulars	As on 31/03/2021	As on 31/03/2020
Turnover and other income	52,57,813	10,95,64,812
Finance Cost	2,19,748	8,12,577
Depreciation and amortisation Expenses	75,714	1,72,813
Pro fit/Loss(-) before depreciation	(99,86,546)	(9,90,187)
Pro fit /Loss(-) After Tax for the year	(1,00,27,469)	(9,67,399)

SHANTAI INDUSTRIES LIMITED

(h) Material developments in Human Resources / Industrial Relations front, including number of people employed:

The industrial relations remained cordial throughout the year. The employees of the company have extended a very productive co-operation in the efforts of the management to carry the company the greater heights. Continuous training down the line is a normal feature in the company to upgrade the skills and knowledge of the employees and workmen of the company.

Disclosure of Accounting Treatment: Financial statements have been prepared in accordance with applicable accounting standards, hence Para B(2) of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the company.

(i) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

- (i) Debtors Turnover is 0.12 in current year as compared to 0.74 in previous year.
- (ii) Inventory Turnover is 0.14 in current year as compared to 19.43 in previous year.
- (iii) Interest Coverage Ratio is nil since the company has no borrowing.
- (iv) Current Ratio is 61.84 in current year as compared to 67.14 in previous year.
- (v) Debt Equity Ratio is nil since the company has no borrowing.
- (vi) Operating Profit Margin (%) is -189.94% as compared to -0.90% in previous year.

The disclosure regarding ratio has been inserted from current financial year and the comments thereon regarding variations compare to the previous year shall be given from next year.

(j) details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof-

Net Worth of the company is Rs.7,49,59,386/- in current year as compared to Rs.8,49,86,855/- in previous year.

This disclosure has been inserted from current financial year and the comments thereon regarding variations compare to the previous year shall be given from next year.

C Corporate Governance Report: Pursuant to Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provision of Para C of Schedule V of SEBI (LODR) relating to Corporate Governance Report is not applicable to the company.

D Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management: Pursuant to Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provision of Para D of Schedule V of SEBI (LODR) relating to Declaration by CEO is not applicable to the company.

E Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report: Pursuant to Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provision of Para E of Schedule V of SEBI (LODR) relating to Compliance Certificate is not applicable to the company.

F Disclosures with respect to demat suspense account/ unclaimed suspense account: NIL

By Order of the Board
For Shantai Industries Limited

Place: Surat
Date: 12/08/2021

Sd/-
Harishbhai F. Sawlani
(DIN: 00831848)
Chairman and Managing Director

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Shantai Industries Limited
(Formerly Known as Wheel and Axle Textiles Limited)
Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **SHANTAI INDUSTRIES LIMITED (formerly known as WHEEL AND AXLE TEXTILES LIMITED)** ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and net loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

We draw attention to;

- Note 4 in the financial statements, which indicates that the company has incurred a loss of Rs 99.86 lacs during the financial year 2020-21 and the company has incurred cash loss of Rs 85.56 lacs and the operating activities is also declined drastically. However, the management is exploring the business opportunities to increase the business operation. Hence the accounts are prepared on going concern basis.
- Note 5, which describes export sundry debtors of Rs 305.60 lacs which has not recovered since more than 3 years. As per representation given to us, the Company is following up with the customer to recover the outstanding balances.
- Note 8 of the financial statements, which states that the Company has made provision towards gratuity on the basis of Gratuity Act instead of Ind AS 19 as prescribed by ICAI. "Employee Benefit.

Our opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our

SHANTAI INDUSTRIES LIMITED

audit of the 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.

Sr No	Key Audit Matters	Auditor's Response
1.	Recoverability of Export benefits i.e. duty drawback receivable and MEIS Receivable As at March 31, 2021, duty drawback receivable of Rs 67.45 lacs and ROSL Receivable of Rs 10 lacs and which is recoverable since long time.	Principal Audit procedures We have verified the relevant records relating to receipts of duty drawback and MEIS during the year. We have also verified the communication made by the Company to the department in respect of duty draw back and MEIS against the receivables. It is informed that department will release the payment very soon.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

SHANTAI INDUSTRIES LIMITED

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Company 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 Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

SHANTAI INDUSTRIES LIMITED

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors as on 31st March, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2021 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. Company does not have any pending litigations which would impact its financial position;
 - ii. Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

FOR S. RAMANAND AIYAR & CO
Chartered Accountants
Firm Registration No: 000990N

BINOD C. MAHARANA
Partner
Membership No. 056373
UDIN: 21056373AAAARB8567

Place: Mumbai
Date: 23.06.2021

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[The annexure referred to in our Independent Auditors' Report of even date to the members of the Company on the financial statements for the year ended 31st March 2021, in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of SHANTAI INDUSTRIES LIMITED (formerly known as Wheel and Axle Textiles Limited)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) As explained to us, physical verification of the inventories has been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.
- iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties which are covered in the Register to be maintained under Section 189 of the Companies Act 2013.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year and 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 Companies Act, 2013 and the rules framed there under, are not applicable to the Company.
- vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Therefore, the provisions of clause (vi) of the Order are not applicable to the Company.
- vii) (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, customs duty, excise duty, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities
According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, customs duty, excise duty, value added tax, cess and any other material statutory dues in arrears, as at March 31, 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax and value added tax which have not been deposited by the Company on account of disputes.
- viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

SHANTAI INDUSTRIES LIMITED

- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR S. RAMANAND AIYAR & CO
Chartered Accountants
Firm Registration No: 000990N

BINOD C. MAHARANA
Partner
Membership No. 056373
UDIN: 21056373AAAARB8567

Place: Mumbai
Date: 23.06.2021

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Shantai Industries Limited** (formerly known as Wheel and Axle Textiles Limited) ("the Company") as of 31st March 2021 in conjunction with our audit of Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

SHANTAI INDUSTRIES LIMITED

- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR S. RAMANAND AIYAR & CO
Chartered Accountants
Firm Registration No: 000990N

BINOD C. MAHARANA
Partner
Membership No. 056373
UDIN: 21056373 AAAARB8567

Place: Mumbai
Date: 23.06.2021

NOTE NO. 1

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

I) CORPORATE INFORMATION

Incorporated in the year 1985 as a Public Limited Company, Shantai Industries Limited (formerly known as Wheel and Axle Textiles Limited) has one industrial unit Textile Mills till 1985. This Company Takeover by Sawlani Group in the year 2015. Since then the company has made progress in widely diverse fields. At present, the company is a trendsetter in textiles and also has a remarkable presence in the Exports of Synthetics Textiles Items & Finished Garments industries.

II) SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPARATION:

The financial statements have been prepared in accordance with Indian Accounting Standards (hereafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards (Ind AS)) Rules, 2015 and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost convention and accrual basis, except for certain financial assets and liabilities measured at fair value

b. USE OF ESTIMATES

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognized in the period in which they are determined.

c. OPERATING CYCLE FOR CURRENT AND NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act.

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

d. PROPERTY, PLANT AND EQUIPMENT (INCLUDING CAPITAL WORK-IN-PROGRESS)

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated

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from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

e. DEPRECIATION/AMORTISATION ON FIXED ASSETS

Depreciation on Fixed Assets is provided on written down value method in accordance with life of assets specified in Part C of Schedule II to the Companies Act, 2013 as per details given below:

Sr. No.	Nature of Assets	Estimated useful life in years
1.	Building	60
2.	Computers - Servers	6
3.	Computers End user devices	3
4.	Furniture and Fixtures	10
5.	Motor Vehicles	8
6.	Office Equipments	5

Expenses towards renovations of enduring benefit to the interiors of the office premises not owned by the company are apportioned over the period of the agreement with the owners

Individual assets acquired for less than five thousand rupees are fully depreciated in the year of acquisition.

f. IMPAIRMENT OF NON FINANCIAL ASSETS

Non-financial assets other than inventories and non-current assets held for sale are reviewed at each balance sheet date to determine whether there is any indication. If any such indication exists or when annual impairment testing for an asset required, the company estimates the asset's recoverable amount. The recoverable amount is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flow that is largely independent of those from other assets or group of assets.

When the carrying amount of an assets or CGU exceeds its recoverable amount, the assets are considered impaired and is written down to its recoverable amount.

g. STOCK IN TRADE

Stock in trade is valued at weighted average cost or net realizable value whichever is lower.

h. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, balances in current accounts with scheduled banks and bank deposits.

i. REVENUE RE COGNITION

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection

(i) Income From Operations

Revenue from sale of goods is recognised when ownership in the goods is transferred to the buyer for a price, when significant risks and rewards of ownership have been transferred to the buyer and no effective control, to a degree usually associated with ownership, is retained by the Company.

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Duty draw back and ROSL incentive recognized when export is made. Incentive of MEIS is recognized when export proceeds is received by the Company.

(ii) Other Income

Other Income is accounted on accrual basis except Dividend Income and Interest on Government Bonds which are accounted on cash basis.

j. BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

k. Foreign currencies

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

Transactions and balances

Foreign currency transactions are recorded in the functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. All foreign currency monetary assets and monetary liabilities as at the Balance Sheet date are translated into the functional currency at the applicable exchange rates prevailing on that date. All exchange differences arising on translation, are recognised in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Gain or losses upon settlement of foreign currency transactions are recognised in the Statement of Profit and Loss for the period in which the transaction is settled.

l. RETIREMENT BENEFITS

The Company provides for gratuity on the basis of half month's salary for each completed year of service as per provision of gratuity Act

m. TAXES ON INCOME

Current tax is determined on the basis of the amount of tax payable in respect of taxable income for the year.

Deferred tax is calculated at tax rates that have been enacted or substantively enacted at the Balance Sheet date and is recognized on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

n. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements

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o. LEASED ASSETS

Rentals in respect of assets taken on operating lease by the company are expensed with reference to the lease and other considerations

p. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:

Subsequent measurement is determined with reference to the classification of the respective financial assets and the contractual cash flow characteristic of the financial assets, the company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss.

Financial assets carried at amortised cost

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.

Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI 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.

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

Debt instruments included within the FVTOCI category are measured at fair value with all changes recognized in profit and loss. However currently the company does not have any financial instrument in this category.

Equity Investment

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For other equity instruments, the company decides to classify the same either as at FVTOCI or FVTPL. The company makes such election on an instrument by instruments basis. The Classification is made on initial recognition and is irrevocable.

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If the company decides to classify an equity instrument as at FVTOCI, all fair value changes on the instrument, excluding dividends are recognized in other comprehensive income. There is no recycling of the amount from other comprehensive income to profit and loss even on sale of investment. However the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at fair value.

- **Financial Guarantee Contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

- **De-recognition of Financial Liabilities**

Financial liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/ (losses)..

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis; to realise the assets and settle the liabilities simultaneously.

SHANTAI INDUSTRIES LIMITED

9. FAIR VALUE MEASUREMENT

The Company measures financial assets and financial liability at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

The Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation and other relevant documents.

SHANTAI INDUSTRIES LIMITED

Balance Sheet as at 31st March 2021

Particulars		Note	As at 31st March 2021	As at 31st March 2020
A	ASSETS			
1	Non-current assets			
	(a) Property Plant and Equipment	2.01	1,12,500	1,46,346
	(b) Other Intangible assets	2.01	24,771	66,639
	(c) Defferred Tax Assets (net)	2.02	3,53,208	2,61,723
	Total Non Current Assets		4,90,479	4,74,708
2	Current assets			
1	(a) Finanacial Assets			
	(i) Inventories	2.03	2,72,49,080	77,80,471
	(ii) Trade receivables	2.04	3,34,99,062	4,59,73,771
	(iii) Cash and bank balances	2.05	57,59,163	1,41,78,839
	(iv) Short-term loans and advances	2.06	77,44,914	1,69,93,554
	(b) Other current assets	2.07	27,20,238	18,87,659
	Total current assets		7,69,72,457	8,68,14,294
	TOTAL ASSETS		7,74,62,936	8,72,89,002
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share capital	2.08	1,50,00,000	1,50,00,000
	(b) Other Equity (Reserve and Surplus)	2.09	5,99,59,386	6,99,86,855
	Total Equity		7,49,59,386	8,49,86,855
2	Non Current Liabilities			
	(a) Provisions	2.10	12,58,845	10,09,040
	Total Non Current Liabilities		12,58,845	10,09,040
3	Current Liabilities			
	(a) Financial Liabilities			
	(i) Trade payables	2.11	67,510.80	44,958
	(ii) Other Current Financial Liabilities	2.12	11,77,194.00	12,48,149
	Total Current Liabilities		12,44,705	12,93,107
	TOTAL EQUITY AND LIABILITIES		7,74,62,936	8,72,89,002
	Significant Accounting Policies	1		
	Notes forming part of the financial statements	2 to 15		

As per our report of even date
For S Ramanand Aiyar & Co
Chartered Accountants
Firm Registration No.: 000990N

For and on behalf of the Board of Directors of
SHANTAI INDUSTRIES LIMITED
(Formerly known as Wheel and Axle Textiles Ltd.)

Binod C. Maharana
Partner
M. No. 056373

Sailesh J. Damor
CFO

Harish F. Sawlani
Chairman and MD
DIN: 00831848

Vasudev F. Sawlani
MD
DIN: 00831830

Omprakash V. Lakhwani
Independent Director
DIN: 08033361

Place: Mumbai
Date: 23.06.2021

Rajvi Sheth
Company secretary

Reena H. Sawlani
Non Executive Director
DIN: 07245653

Vandana S. Dalal
Independent Director
DIN: 08779138

Place: Surat
Date: 23.06.2021

SHANTAI INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended 31st March 2021

Particulars	Note	in ₹	
		As at 31st March 2021	As at 31st March 2020
INCOME			
(a) Revenue from operations	2.14	49,11,230	10,92,49,767
(b) Other income	2.15	3,46,583	3,15,045
1 Total Income		52,57,813	10,95,64,812
EXPENSES:			
(a) Employee benefit expenses	2.15	40,90,382	76,30,196
(b) Depreciation and amortisation expenses	2.01	75,714	1,72,813
(c) Finance Cost	2.16	2,19,748	8,12,577
(d) Other expenses	2.17	83,25,851	63,72,330
(e) Purchase of Stock-in-Trade	2.18	2,20,01,272	10,12,92,305
(f) Change in Inventories of finished goods	2.19	(1,94,68,608)	(57,25,222)
2 Total Expenses		1,52,44,358	11,05,54,999
3 Profit before Exceptional Items and Tax		(99,86,546)	(9,90,187)
4 Exceptional items		-	-
5 Profit before Tax from Continuing Operations		(99,86,546)	(9,90,187)
6 Income Tax expense:			
(a) Current tax		-	-
(b) Deferred tax		(91,486)	(22,788)
(c) (Excess) / short provision for earlier years		1,32,409	-
7 Non Current Liabilities		(1,00,27,469)	(9,67,399)
8 Other Comprehensive Income			
Items that will not be reclassified to Statement of Profit and Loss		-	-
Items that will be reclassified to Statement of Profit and Loss		-	-
9 Total Comprehensive Income for the period		(1,00,27,469)	(9,67,399)
10 Earning Per Share (Equity Share of Rs. 10/- Each)			
Basic and Diluted		(6.68)	(0.64)
Significant Accounting Policies	1		
Notes forming part of the financial statements	2 to 15		

As per our report of even date
For S Ramanand Aiyar & Co
Chartered Accountants
Firm Registration No.: 000990N

For and on behalf of the Board of Directors of
SHANTAI INDUSTRIES LIMITED
(Formerly known as Wheel and Axle Textiles Ltd.)

Binod C Maharana
Partner
M. No. 056373

Sailesh J. Damor
CFO

Harish F. Sawlani
Chairman and MD
DIN: 00831848

Vasudev F. Sawlani
MD
DIN: 00831830

Omprakash V. Lakhwani
Independent Director
DIN: 08033361

Place: Mumbai
Date: 23.06.2021

Rajvi Sheth
Company secretary

Reena H. Sawlani
Non Executive Director
DIN: 07245653

Vandana S. Dalal
Independent Director
DIN: 08779138

Place: Surat
Date: 23.06.2021

SHANTAI INDUSTRIES LIMITED

Cash Flow Statement for the year ended 31 March 2021

		in ₹	
Particulars	Current Year Amount (Rs.)	Current Year Amount (Rs.)	
A	Cash flow from operating activities		
	Net Profit/(Loss) Before Tax	(99,86,546)	(9,90,187)
	Adjustment for		
	Depreciation	75,714	1,72,813
	Gratuity Provision	2,49,805	2,12,309
	MEIS benefits written off	22,48,640	-
	Finance cost	2,19,748	8,12,577
	Interest on Fixed Deposit	(3,46,583)	(3,15,045)
	Operating profit before working capital changes	(75,39,222)	(1,07,532)
	Adjustment for		
	Decrease/(Increase) in Trade receivables	1,24,74,709	20,41,97,236
	Decrease/(Increase) in Inventories	(1,94,68,609)	(57,25,221)
	Decrease/(Increase) in Short Term Loans and advances	92,48,640	2,10,26,337
	Decrease/(Increase) in Other current assets	(31,22,686)	(7,70,244)
	(Decrease)/Increase in Trade payables	22,553	(19,07,68,951)
	(Decrease)/Increase in Other current liabilities	(70,955)	(2,30,91,858)
	(Decrease)/Increase in Short term provisions	-	(22,16,882)
	Cash flow from / (used in) Operating activities	(84,55,571)	25,42,884
	Direct Taxes Paid	(90,941)	(35,348)
	Total cash from operating activities	(85,46,512)	25,07,536
B	Cash flow from investing activities		
	Acquisition of Fixed Assets	-	(1,28,305)
	Interest income on Fixed Deposit	3,46,583	3,15,045
	Net Cash from/ (used) Investing Activities	3,46,583	1,86,740
C	Cash flow from financing activities		
	Finance cost	(2,19,748)	(8,12,577)
	Net Cash used from Financing Activities	(2,19,748)	(8,12,577)
	Net Increase / (decrease) in cash and cash equivalents (A + B + C)	(84,19,677)	18,81,698
	Cash and cash equivalents as at beginning of the year	1,41,78,839	1,22,97,141
	Cash and cash equivalents as at end of the year	57,59,163	1,41,78,839
	Cash and cash equivalents comprise of:		
	Cash and Bank Balances (Refer Note 2.06	57,59,163	1,41,78,839

Note:

- In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit/(Loss) for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in bracket represent outflows.
- Previous Year's figures have been regrouped wherever necessary to confirm to the current year's classification.

As per our report of even date
For **S Ramanand Aiyar & Co**
Chartered Accountants
Firm Registration No.: 000990N

For and on behalf of the Board of Directors of
SHANTAI INDUSTRIES LIMITED
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Place: Surat
Date: 23.06.2021

SHANTAI INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.03.2021

A Equity Share Capital

Particulars	No. of Share	Amount (Rs.)
Balance at the 01.04.2020	1,50,00,000	1,50,00,000
Add: Shares issued during the year	-	-
Balance at the 31.03.2021	1,50,00,000	1,50,00,000

B Other Equity

Amount Rs.

Particulars	Other Equity				Total
	Retained Earnings	General Reserve	General Reserve	Other Comprehensive Income	
Balance at 01 April 2019	2,87,94,132	4,00,94,236	20,65,886	-	7,09,54,254
Addition During the year					
Transfer to retained earnings	(9,67,399)	-	-	-	(9,67,399)
Any other change :					
Add/(Less) :					
Transfer to General Reserve		-	-	-	-
Transfer from Retained Earnings		-	-	-	-
Bonus share issued		-	-	-	-
Balance at 31 March 2020	2,78,26,733	4,00,94,236	20,65,886	-	6,99,86,855
Addition During the year					
Transfer to retained earnings	(1,00,27,469)	-	-	-	(1,00,27,469)
Any other change :					
Add/(Less) :					
Transfer to General Reserve					
Transfer from Retained Earnings					
Bonus share issued					
Balance at 31 March 2021	1,77,99,265	4,00,94,236	20,65,886		5,99,59,386

As per our report of even date
For S Ramanand Aiyar & Co
Chartered Accountants
Firm Registration No.: 000990N

For and on behalf of the Board of Directors of
SHANTAI INDUSTRIES LIMITED
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Place: Surat
Date: 23.06.2021

SHANTAI INDUSTRIES LIMITED

Note 2.01: Property, Plant and Equipment

Particulars	Property, plant and equipment			Total	Amount Rs.
	Furniture	Computer Equipments	Plant and Machinery		Other Intangible assets Computer Software
As at 01 April 2020	25,568	5,57,105	1,83,482	7,66,155	1,80,737
Addition During the year	-	-	-	-	-
Deletion during the year	-	-	-	-	-
As at 31 March 2021	25,568	5,57,105	1,83,482	7,66,155	1,80,737
Depreciation and impairment					
As at 01 April 2020	14,292	5,17,151	88,366	6,19,809	1,14,098
Depreciation charge for the year	3,012	12,080	18,754	33,846	41,868
Deletion during the year	-	-	-	-	-
As at 31 March 2021	17,304	5,29,231	1,07,120	6,53,655	1,55,966
Net book value					
At 31 March 2021	8,264	27,874	76,362	1,12,500	24,771
At 31 March 2020	11,276	39,954	95,116	1,46,346	66,639

Notes forming part of financial statements

2.02 Deferred tax assets / (Liabilities) (Net)

Particulars	Amount Rs.	
	As at 31st March 2021	As at 31st March 2020
<u>Deferred Tax Assets</u>		
On difference between book balance and tax balance of fixed assets	25,908	29,644
Provision for gratuity	3,27,300	2,32,079
<u>Deferred Tax Liabilities</u>		
On difference between book balance and tax balance of fixed assets	-	-
Total	3,53,208	2,61,723

2.03 Inventories

Particulars	Amount Rs.	
	As at 31st March 2021	As at 31st March 2020
Stock in Trade	2,72,49,080	77,80,471
Total	2,72,49,080	77,80,471

2.04 Trade receivables

Particulars	Amount Rs.	
	As at 31st March 2021	As at 31st March 2020
Unsecured, Considered Good Trade Receivable (Refer Note No 5)	3,34,99,062	4,59,73,771
Total	3,34,99,062	4,59,73,771

SHANTAI INDUSTRIES LIMITED

2.05 Cash and bank balances

Particulars	Amount Rs.	
	As at 31st March 2021	As at 31st March 2020
Cash and cash equivalents		
Balances with banks	2,22,290	72,67,710
Cash in hand	41,449	1,19,529
Fixed Deposits with bank with maturity less than 12 months	-	-
	2,63,739	73,87,239
Fixed Deposits with bank with maturity more than 12 months	54,95,424	67,91,600
Total	57,59,163	1,41,78,839

Notes forming part of financial statements

2.06 Short Term Loans and Advances

Particulars	Amount Rs.	
	As at 31st March 2021	As at 31st March 2020
Drawback on Export Receivable (Note No 7)	67,44,693	67,44,693
MEIS Receivable (Note No 6)	-	22,48,640
Advance to supplier	-	70,00,000
ROSL on Export Receivable (Note No 7)	10,00,221	10,00,221
Total	77,44,914	1,69,93,554

2.07 Other current assets

Particulars	Amount Rs.	
	As at 31st March 2021	As at 31st March 2020
Balance with Revenue Authority		
Advance Tax & TDS (Net of Provision)	6,39,080	6,65,341
Input Tax Credit of GST	20,81,158	12,22,318
Total	27,20,238	18,87,659

2.08 Equity Share Capital

Particulars	Amount Rs.	
	As at 31st March 2021	As at 31st March 2020
Authorised		
50,00,000 (P Y 50,00,000) Equity shares of Rs 10/- par value.	5,00,00,000	5,00,00,000
	5,00,00,000	5,00,00,000
Issued Capital		
15,00,000 (P Y 15,00,000) Equity shares of Rs 10/- par value.	1,50,00,000	1,50,00,000
	1,50,00,000	1,50,00,000
Subscribed and Paid Up Capital		
15,00,000 (P Y 15,00,000) Equity shares of Rs. 10/- each fully paid up.	1,50,00,000	1,50,00,000
	1,50,00,000	1,50,00,000

SHANTAI INDUSTRIES LIMITED

Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year Equity shares

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number	Amount (₹)	Number	Amount (₹)
Number of shares at the beginning of the year	15,00,000	15,00,000	15,00,000	15,00,000
Add: Shares issued during the year				
Number of shares at the end of the year	15,00,000	15,00,000	15,00,000	15,00,000

Terms/Rights attached to Equity shares

The company has one class of share referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share and dividend per share as may be declared/proposed by the Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5 percent equity shares in the company:

Name of the shareholder	As at 31st March 2021		As at 31st March 2020	
	No of shares	% of holding	No of shares	% of holding
Equity shares of Rs. 10 each fully paid				
Disha M Sawlani	1,32,000	8.80%	1,32,000	8.80%
Harish F. Sawlani	2,40,000	16.00%	2,40,000	16.00%
Murli F. Sawlani	2,40,000	16.00%	2,40,000	16.00%
Priya V. Sawlani	1,32,000	8.80%	1,32,000	8.80%
Reena H. Sawlani	1,32,000	8.80%	1,32,000	8.80%
Vasudev F. Sawlani	2,40,000	16.00%	2,40,000	16.00%
	11,16,000		11,16,000	

2.09 Other Equity (Reserve and Surplus)

Particulars	Amount Rs.	
	As at 31st March 2021	As at 31st March 2020
Capital Reserve-Opening	20,65,886	20,65,886
Addition	-	-
Deduction	-	-
Capital Reserve-Closing (A)	20,65,886	20,65,886
General Reserve-Opening	4,00,94,236	4,00,94,236
Addition	-	-
Deduction	-	-
General Reserve-Closing (B)	4,00,94,236	4,00,94,236
Profit and loss Opening	2,78,26,733	2,87,94,132
Amount Transferred From Statement of P&L	(1,00,27,469)	(9,67,399)
Appropriation and Allocation		
Transfer to General Reserve	-	-
	-	-
Profit and loss Closing (C..)	1,77,99,264	1,78,26,733
Closing (A+B+C)	5,99,59,386	6,99,86,855

SHANTAI INDUSTRIES LIMITED**2.10 Provisions**

Amount Rs.

Particulars	Amount Rs.	
	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
Provision for Gratuity (Note No 8)	12,58,845	10,09,040
	12,58,845	10,09,040

2.11 Trade payables

Amount Rs.

Particulars	Amount Rs.	
	As at 31st March 2021	As at 31st March 2020
Total Outstanding of		
- Micro, Small and Medium Enterprises (MSME) (Refer Note no. 14)	67,511	44,958
- Other than MSME	67,511	44,958

2.12 Other Current Financial Liabilities

Amount Rs.

Particulars	Amount Rs.	
	As at 31st March 2021	As at 31st March 2020
Payables for expenses	8,80,070	7,41,436
Advance received from customer	2,79,874	3,27,474
Statutory dues payable	17,250	1,79,240
Total	11,77,194	12,48,149

2.13 Revenue from operations

Amount Rs.

Particulars	Amount Rs.	
	Period Ended 31st March 2021	Period Ended 31st March 2020
Sale of Products		
Export Sales	-	7,40,792
Sales	31,10,130	9,83,13,860
Other Operating Revenues		
Commission / Brokerage	18,01,100	-
Foreign Exchange Gain (Loss)	-	87,60,737
M.E.I.S. Benefit	-	14,34,378
Total	49,11,230	10,92,49,767

2.14 Other income

Amount Rs.

Particulars	Amount Rs.	
	Period Ended 31st March 2021	Period Ended 31st March 2020
Interest income		
- Interest on FD	3,46,583	3,15,045
Total	3,46,583	3,15,045

SHANTAI INDUSTRIES LIMITED

2.15 Employee benefit expenses

Particulars	Amount Rs.	
	Period Ended 31st March 2021	Period Ended 31st March 2020
Salaries, wages, bonus, etc.	40,90,382	76,28,605
Employee welfare expenses	-	1,591
	40,90,382	76,30,196

2.16 Finance cost

Particulars	Amount Rs.	
	Period Ended 31st March 2021	Period Ended 31st March 2020
Bank Charges	2,19,748	8,12,577
	2,19,748	8,12,577

2.17 Other expenses

Particulars	Amount Rs.	
	Period Ended 31st March 2021	Period Ended 31st March 2020
Loading Unloading Charges	-	28,760
Shipping Expense on Export	-	13,979
Shipping Agency Charges	-	5,000
Business Prmotation Expenses	-	1,17,552
Fuel Expenses	20,500	2,19,029
Commission and Brokerage	-	49,500
Stationery Printing Expense	9,390	49,327
Rent Exp.	1,20,000	1,20,000
Rates and Taxes	1,73,789	48,233
Auditors Remuneration	1,55,000	2,25,000
Directors sitting Fees	2,50,000	2,40,000
Electricity Expense	32,610	59,373
Conveyance Exp.	2,400	21,260
Legal and Professional Fees	5,95,576	7,88,080
Filing Fees	10,800	7,200
Listing Fees	3,00,000	3,00,000
Annual Custody Fees NSDL	9,000	9,000
Annual Fees CDSL	9,000	9,000
Office Exp	11,934	23,347
Advertisement	22,125	32,275
Foreign Traveling Expense	-	1,96,600
Foreign Exchange Loss	4,34,821	-
Refund of Drawback (Note No 6)	20,71,183	-
Interest paid on drawback (Note No 6)	11,50,623	-
M E IS Benefits not recoverable written off (Note No 6)	22,48,640	-
Discount	6,42,891	37,39,521
Miscellaneous Expenses	55,569	70,294
Total	83,25,851	63,72,330

SHANTAI INDUSTRIES LIMITED

2.18 Purchase of Stock-in-Trade

Particulars	Amount Rs.	
	Period Ended 31st March 2021	Period Ended 31st March 2020
Purchase of Stock in Trade	2,20,01,272	10,12,92,305
Total	2,20,01,272	10,12,92,305

2.19 Change in Inventories of finished goods

Particulars	Amount Rs.	
	Period Ended 31st March 2021	Period Ended 31st March 2020
Opening		
Stock in Trade	77,80,472	20,55,250
Closing		
Stock in Trade	2,72,49,080	77,80,472
Increase / Decrease	(1,94,68,608)	(57,25,222)

3. Contingent Liabilities Not Provided For

Description	2020-2021	2019-2020
Guarantees given by Banks on behalf of the Company	30,35,893	30,35,893

- During the financial year, the company has incurred loss of Rs 99.86 lacs and the company has also incurred cash loss of Rs 85.56 lacs. The revenue from operation of the company also reduced to Rs 49.11 lacs during the financial year 2020-21 from Rs 1092.49 lacs as compared to financial year 2019-20. However, the management is exploring the business opportunities to increase the business operation. Hence the accounts are prepared on going concern basis.
- The sundry debtors of Rs 334.99 Lacs include export sundry debtors of Rs 305.60 lacs which has not recovered since more than 3 years. As per representation given to us, the Company is following up with the customer to recover the outstanding balances. However, conservatively the Company has also filed documents with their bank for cancellation of invoices. As informed to us, the management of the opinion that the total outstanding will be recoverable and therefore, the same has not been written off in books of accounts during the year.
- During the year, the company has refunded of Rs 20.71 lacs drawback incentive availed on the export made in earlier years against which payment was not received along with interest of Rs. 11.50 lacs. The company has also written of M E I S benefits of Rs 22.48 lacs which was showing recoverable in books of accounts.
- Drawback on Export Receivable of Rs 67.44 lacs and ROSL on Export Receivable of Rs 10.00 lacs is subject to confirmation.
- The Company has provided calculated Gratuity as per Gratuity Act 1972 instead of Ind AS 19 "Employee Benefit" issued by Institute of Chartered Accountant of India

9. Related Party Disclosure

Names of related parties and nature of relationship are as follows:

Nature of relationship	Name of Party
1. Associates	<ul style="list-style-type: none"> • Shantai Exim Ltd • Sawlani Synthetics Private Ltd • Shantai Technology Private Ltd

SHANTAI INDUSTRIES LIMITED

Nature of relationship	Name of Party
	<ul style="list-style-type: none"> • Shantai Realty (India) Ltd • Sawlani Silk Mills • Shantai Developers
2. Key Management Personnel	<ul style="list-style-type: none"> • Murli F. Sawlani • Harish F. Sawlani • Vasudev F. Sawlani

10 Transactions with Related Parties:

Sr.No	Nature of Transactions	With Associate Companies (Rs.)	With Key Management Personnel (Rs.)	Total (Rs.)
1.	Remuneration	-	31,25,200 (66,00,000)	31,25,200 (66,00,000)
2.	Rent	1,20,000 (1,20,000)	-	1,20,000 (1,20,000)
3.	Reimbursement of Expenses	4,602 (10,794)	-	4,602 (10,794)
4.	Purchase from Associate	Nil (7,65,388)	-	Nil (7,65,388)

(Figures in brackets pertains to previous financial year)

Balance as at year end

Name of Related Party	Nature of Relations	Amount
Payble		
Shantai Technology Ltd	Associate	5,438 (15,912)

(Figures in brackets pertains to previous financial year)

11. The company has taken Office premises on Operating Lease and Lease Rent amounting to Rs. 1,20,000 /- (Previous Year Rs. 1,20,000 /-) was paid during the year has been debited to Statement of Profit and Loss. The future minimum lease payment is as under:

	2020-2021 Rs.	2019-2020 Rs.
Not later than 1 year	1,20,000	1,20,000
Later than 1 year and Not later than 5 years	85,000	85,000
Later than 5 years	Nil	Nil
Total	2,05,000	2,05,000

SHANTAI INDUSTRIES LIMITED

12 EARNING PER SHARE

Particulars	CURRENT YEAR	PREVIOUS YEAR
Weighted average number of shares at the end of the year	15,00,000	15,00,000
Net Profit after tax available for Equity Shareholders	-1,00,27,469	-9,67,399
Basic and diluted EPS (Rs.)	-6.68	-0.64

13. PAYMENT TO AUDITORS

Particulars	CURRENT YEAR	PREVIOUS YEAR
As Statutory Auditor	1,55,000	1,75,000
Tax Audit fees	Nil	50,000
Total	1,55,000	2,25,000

14. The Company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, required under the said Act have not been made.

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

The Company does not have any borrowing and there for the company is not exposed to any interest rate risk.

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (primarily collection for export sale denominated in a foreign currency). Presently the company is not heading in forward market and therefore exposure of foreign currency is high.

Credit risk

Credit risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company. The Company limits its credit risk by carrying out transactions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. Outstanding of trade receivable is old. However, in opinion of the management, the company deals with highly rated counter parties and therefore credit risk is very negligible.

SHANTAI INDUSTRIES LIMITED

The credit risk for bank balance is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, liquidity risk is negligible.

16. Comparative financial information (i.e. the amounts and other disclosures for the previous year presented above as corresponding figures), is included as an integral part of the current year's Financial Statements, and is to be read in relation to the amounts and other disclosures relating to the current year. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report of even date
For **S Ramanand Aiyar & Co**
Chartered Accountants
Firm Registration No.: 000990N

For and on behalf of the Board of Directors of
SHANTAI INDUSTRIES LIMITED
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Independent Director
DIN: 08033361

Place: Mumbai
Date: 23.06.2021

Rajvi Sheth
Company secretary

Reena H. Sawlani
Non Executive Director
DIN: 07245653

Vandana S. Dalal
Independent Director
DIN: 08779138

Place: Surat
Date: 23.06.2021

SHANTAI INDUSTRIES LIMITED

SHANTAI INDUSTRIES LIMITED

(Formerly known as Wheel and Axle Textiles Ltd.)

Regd. office : 820, Golden Point, Nr. Telephone Exchange Begumpura, Falaswadi, Ring Road, Srurat 39 5003.

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall 36th Annual General Meeting

Folio No./ DP ID/Client ID No. : _____
Number of shares held : _____
Name of the attending Member / Proxy : _____

I hereby record my presence at the 36th Annual General Meeting of Shantai Industries Limited held on Friday, 24th September, 2021 at 04.00 p.m. at 741, Golden Point, Nr. Telephone Exchange, Begampura, Falsawadi, Ring Road, Surat 395003.

Member's/Proxy's Signature
(To be signed at the time of handing over the slip)

SHANTAI INDUSTRIES LIMITED

(Formerly known as Wheel and Axle Textiles Ltd.)

Regd. office : 820, Golden Point, Nr. Telephone Exchange Begumpura, Falaswadi, Ring Road, Srurat 395003.

Form No. MGT-11

Proxy form

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

CIN : L74110GI1988PLC013255
Name of the company : **Shantai Industries Limited (Formerly known as Wheel and Axle Textiles Ltd.)**
Registered office : 820, Golden Point, Nr. Telephone Exchange Begumpura, Falaswadi, Ring Road, Srurat 395003.
Name of the Member (s) : _____
Registered address : _____
E-mail Id : _____
Folio No/ Client Id/DP ID : _____

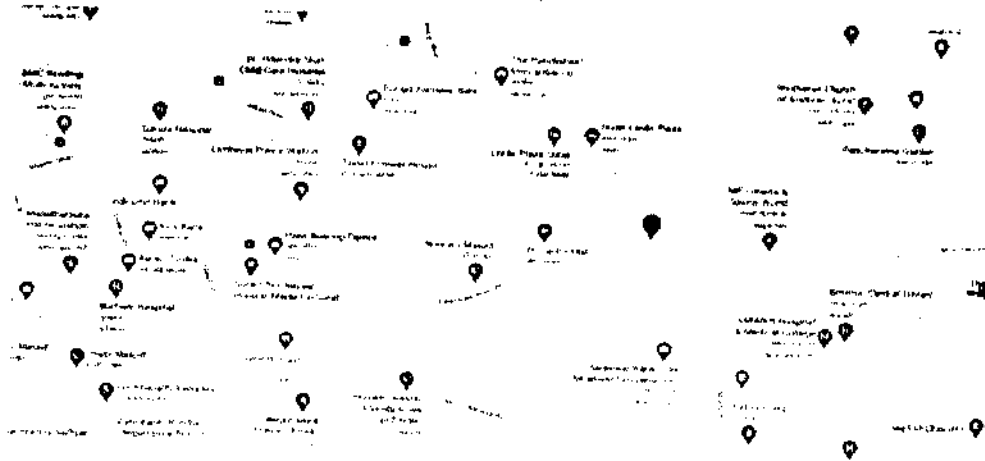
I/We, being the member (s) of Shares of the above named company, hereby appoint

1. Name : _____
Address : _____
E-mail Id : _____
Signature : _____ Or failing him
2. Name : _____
Address : _____
E-mail Id : _____
Signature : _____ Or failing him
3. Name : _____
Address : _____
E-mail Id : _____
Signature : _____ Or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, 24th September, 2021 at 04.00 p.m. at 741, Golden Point, Nr. Telephone Exchange, Begampura, Falsawadi, Ring Road, Surat 395003 and at any adjournment thereof in respect of such resolutions as are indicated below:

SHANTAI INDUSTRIES LIMITED

Route Map of Venue of Annual General Meeting for year 2021



Sr. No.	Resolution	For	Against
Ordinary Business :-			
1.	Adoption of Audited Financial Statements the reports of the Board of Directors and Auditors thereon for the year 31 st March, 2021.		
2.	Reappointment of Shri Harishbhai Fatandas Sawlani as Director		
3.	Appointment M/s. DSI & Co., as Statutory Auditors of Company and fix their remuneration for Period of Five Years up to financial year ending 31/03/2026		

Signed this.....day of September, 2021.

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

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

SHANTAI INDUSTRIES LIMITED

Form No. MGT-12

Polling Paper

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

Sr. No.	Particulars	Details
1.	Name of the First Named Shareholder (In Block Letters)	
2.	Postal Address	
3.	Registered Folio No. / *Client ID No. * (Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sr. No.	Resolution	No. of Shares held by me	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
Ordinary Business				
1.	Adoption of Audited Financial Statements the reports of the Board of Directors and Auditors thereon for the year 31 st March, 2021			
2.	Reappointment of Shri Harishbhai Fatandas Sawlani as Director			
3.	Appointment M/s. DSI & Co., as Statutory Auditors of Company and fix their remuneration for Period of Five Years up to financial year ending 31/03/2026			

Place :

Date :

Signature of Member / Beneficial Owner