

**34<sup>TH</sup>**  
**ANNUAL REPORT**  
**2018-19**

**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
- ❖ **Kirankumar N. Doshi**  
-Independent Director
- ❖ **Omprakash V. Lakhwani**  
-Independent Director
- ❖ **Reena H. Sawlani**  
-Non Executive Director

### KEY MANAGERIAL PERSONALS

- ❖ **Shailesh J. Damor**  
-Chief Financial Officer(CFO)
  
- ❖ **Shweta Chintan Shah**  
-Compliance Officer & Company Secretary

### AUDITORS

- ❖ **S. Ramanand Aiyar & Co.**  
Chartered Accountant  
501-02 5th Floor, Umerji House,  
Opp. Imperial Hotel, Telli Gully  
Above Bank of Baroda,  
Andheri (East), Mumbai  
Email: mumbai@sraco.in

### BANKERS

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

### REGISTERED OFFICE

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

### LISTED AT

- ❖ BSE Ltd.

### REGISTRAR AND SHARE TRANSFER AGENT

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

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# SHANTAI INDUSTRIES LIMITED

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## NOTICE

Notice is hereby given that the 34<sup>TH</sup> 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 435, Sawlani Silk Mills Compound, G.I.D.C. Pandesara, Surat 394221 on Thursday 05<sup>TH</sup> September, 2019 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, 2019 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, 2019 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 Smt. Reena Harishbhai Sawlani (DIN: 07245653), 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, Smt. Reena Harishbhai Sawlani (DIN: 07245653), 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.

By Order of the Board  
**For Shantai Industries Limited**

Sd/-  
**Harishbhai F. Sawlani**  
(DIN: 00831848)

Chairman and Managing Director

Place: Surat  
Date: 24/05/2019

### 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.

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.

2. 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 29<sup>th</sup> August, 2019 to 05<sup>th</sup> September, 2019 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:**

- a. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended from time to time and sub clause (1) & (2) of clause 44 SEBI (LODR) Regulations, 2015, the Company is pleased to provide members' facility to exercise their right to vote at the 34<sup>th</sup> Annual General Meeting ("AGM") by electronic means and the business may be transacted through e-voting services 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 (AGM).

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

Commencement of e-voting: From 9.00 a.m. on Monday, 02<sup>nd</sup> September, 2019 to 5.00 p.m. on Wednesday, 04<sup>th</sup> September, 2019.

- b. E-voting shall not be allowed beyond 5.00 p.m. on Wednesday, 04<sup>th</sup> September, 2019. During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Saturday, 24<sup>th</sup> August, 2019 may cast their vote electronically.
- c. 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.
- d. In case a member is desirous of obtaining a duplicate Ballot Form, he/she may send an e-mail to [shantaiindustriesltd@gmail.com](mailto:shantaiindustriesltd@gmail.com) by mentioning their Folio No. / DP ID and Client ID No. However the duly completed Ballot Form Should reaches the scrutinizer, Mr. Kunjal Dalal C/o Shantai Industries Limited, 820, Golden Point, Nr Telephone Exchange Begampura, Falsawadi, Ring Road, Surat 395003 not later than Wednesday, 04<sup>th</sup> September, 2019 (5:00 p.m.). Ballot Forms received after this date will be treated as invalid.
- e. 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.
- f. 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.

# SHANTAI INDUSTRIES LIMITED

## SHAREHOLDER INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 9.00 a.m. on Monday, 02<sup>nd</sup> September, 2019 to 5.00 p.m. on Wednesday, 04<sup>th</sup> September, 2019. 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 Saturday, 24<sup>th</sup> August, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li></ul>
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"><li>• 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 (iv).</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **Shantai Industries Limited** on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) 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.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, 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](mailto: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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board  
For Shantai Industries Limited

Sd/-  
**Harishbhai F. Sawlani**  
(DIN: 00831848)

Place: Surat  
Date: 24/05/2019

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**

<b>Name of director</b>	<b>Smt. Reena Harishbhai Sawlani</b>
Age	53 Years
Qualifications	B.Com.
Experience	8 Years
Nature of Expertise	Designing
Inter-se Relationship	Wife of Managing Director namely Harishbhai Fatandas Sawlani
Name of the listed entity in which person holds directorship and membership of committee of board	Nil
Shareholding of non- executive directors	132000 Equity Shares

# SHANTAI INDUSTRIES LIMITED

## BOARD OF DIRECTOR'S REPORT

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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 31<sup>st</sup> March 2019.

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

**a) The extract of annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013:**

The extract of Annual Return is in format MGT-9 for the financial year ended 31/03/2019 and is enclosed as "Annexure A" with this report.

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

During the year 2018-19, 4 meetings of Board of Directors were held on 26/05/2018, 02/08/2018, 31/10/2018, 23/01/2019.

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

The director's state that:

- i) In the preparation of annual accounts for the financial year ended 31<sup>st</sup> March 2019, 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 31<sup>st</sup> March, 2019
- iii) and of the profit/loss of the company for that period;
- iv) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- v) The director had prepared the annual accounts on a going concern basis;
- vi) The director had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vii) The director had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**ca) Details of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the central government.**

Auditor has not reported any fraud under sub-section (12) of section 143 of The Companies Act, 2013.

**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. The policy is disclosed at "Annexure B" in pursuance of provision to section 178(3) of the companies Act 2013.

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.

**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 C” 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, 2019 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, 2019 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	9,00,000/-
02	Sawlani Silk Mills	Rent			60,000/-
03	Shantai Technologies Limited	Rent			60,000/-
04	Shantai Technologies Limited	Expense reimbursement			20,632/-

**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.

The income from operations for the year has decreased from Rs. 51,99,37,580/- in the year 2017-18 to Rs. 12,82,57,275/- in the year 2018-19. The company has incurred Profit of Rs. 3,11,01,538/- against Loss of Rs. 10,00,850/-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.



## SHANTAI INDUSTRIES LIMITED

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**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. 26,30,56,391/-

Foreign Exchange outgo (actual outflows): Rs.NIL

**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 proposes to develop and implement specific Risk Management Policy on identification of any risk.

**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.

- 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 31/03/2019	As on 31/03/2018
Turnover and other income	128722806	520160060
Gross profit/Loss (-) before Financial Charges & depreciation	31592392	-25437
Interest and Financial Charges	253333	680540
Profit/Loss(-) before depreciation	31339059	-705977
Depreciation	237521	294873
Profit /Loss(-) After Tax for the year	22162478	-871481

- 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 no changes in directors and Key Managerial Personnel of the company.

- 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**

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### 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.

### 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.	6:2.8
(ii)	The percentage increase in remuneration of each director, chief financial officer, Chief Executive officer, company secretary or manager, in the financial year.	Directors-120%
(iii)	The percentage increase in the median remuneration of employees in the financial year	4.79%
(iv)	Number of permanent employees on the rolls of the company as on 31 <sup>st</sup> March, 2019.	7 i.e.3 MDS, 1CS, 1CFO and 2 Employee
(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.	The company is engaged mainly in Trading activities where as manufacturing activities is outsourced and all work is being done by directors themselves. The company has only five employees including KMP and executives
(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. The Audit Committee comprises of 3 Directors namely Shri Omprakash Vishandas Lakhwani, Shri Kirankumar Narharibhai Doshi, and Mr. Harishbhai Fatandas Sawlani. Shri Kirankumar Narharibhai Doshi 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.

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 Kirankumar Narharibhai Doshi, 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.: 7874407000

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**

Sd/-

**Harishbhai F. Sawlani**

(DIN: 00831848)

Chairman and Managing Director

Place : Surat

Date : 24/05/2019

# SHANTAI INDUSTRIES LIMITED

"Annexure A"

## Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i. CIN	L74110GJ1988PLC013255
ii. Registration Date	09/04/1985
iii. Name of the Company	Shantai Industries Limited (Formerly known as Wheel and Axle Textiles Limited)
iv. Category / Sub-Category of the Company	Company Limited By Shares / Indian Non Government Company
v. Address of the Registered office and contact details	820, Golden Point, Nr Telephone Exchange Begampura, Falsawadi, Ring Road, Surat 395003
vi. Whether listed company	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited 10, Aram Appartment, 12 Sampatrao Colony, B/H Laxmi Hall, Alkapuri, Vadodara 390007 Contact No. 0265- 2314757

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
01	Trading in Textiles	99611319	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
Not Applicable					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>										
(1) Indian										
a)	Individual/ HUF	1116000	0	1116000	74.40	1116000	0	1116000	74.40	0
b)	Central Govt.	0	0	0	0	0	0	0	0	0
c)	State Govt.(s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corp.	0	0	0	0	0	0	0	0	0
e)	Banks / FI	0	0	0	0	0	0	0	0	0
f)	Any other	0	0	0	0	0	0	0	0	0
<b>Sub- Total (A) (1):-</b>		<b>1116000</b>	<b>0</b>	<b>1116000</b>	<b>74.40</b>	<b>1116000</b>	<b>0</b>	<b>1116000</b>	<b>74.40</b>	<b>0</b>
(2) Foreign										
a)	NRIs- Individual	0	0	0	0	0	0	0	0	0
b)	Other- Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corp.	0	0	0	0	0	0	0	0	0
d)	Banks/FI	0	0	0	0	0	0	0	0	0
e)	Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (2):-</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoters (A)= (A) (1)+(A)(2)</b>		<b>1116000</b>	<b>0</b>	<b>1116000</b>	<b>74.40</b>	<b>1116000</b>	<b>0</b>	<b>1116000</b>	<b>74.40</b>	<b>0</b>
<b>B. Public Shareholding</b>										
(1) Institutions										
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks / FI	0	0	0	0	0	0	0	0	0
c)	Central Govt	0	0	0	0	0	0	0	0	0
d)	State Govt(s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	FIIIs	0	0	0	0	0	0	0	0	0
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)	Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1):-</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## SHANTAI INDUSTRIES LIMITED

(2) Non-Institutions										
a) Bodies Corp										
i. Indian	8204	0	8204	0.55	7878	0	7878	0.53	0.02	
ii. Overseas	0	0	0	0	0	0	0	0	0	
b) Individuals	0	0	0	0	0	0	0	0	0	
i. Individual shareholders holding nominal share capital upto Rs. 2 lakh	228910	5001	233911	15.59	233441	4901	238342	15.89	-0.30	
ii. Individual shareholders holding nominal share capital in excess of Rs 2 lakh	87462	0	87462	5.83	87462	0	87462	5.83	0	
c) Others (specify)										
-Foreign NRI	13266	0	13266	0.88	8766	0	8766	0.58	0.3	
-HUF	41157	0	41157	2.74	41552	0	41552	2.77	-0.3	
<b>Sub-Total (B) (2):-</b>	<b>378999</b>	<b>5001</b>	<b>384000</b>	<b>25.60</b>	<b>379099</b>	<b>4901</b>	<b>384000</b>	<b>25.60</b>	<b>0</b>	
<b>Total Public Shareholding (B)= (B) (1)+ (B)(2)</b>	<b>378999</b>	<b>5001</b>	<b>384000</b>	<b>25.60</b>	<b>379099</b>	<b>4901</b>	<b>384000</b>	<b>25.60</b>	<b>0</b>	
<b>C. Shares Held By Custodian For GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Grand Total (A+B+C)</b>	<b>1494999</b>	<b>5001</b>	<b>1500000</b>	<b>100</b>	<b>1495099</b>	<b>4901</b>	<b>1500000</b>	<b>100</b>	<b>0</b>	

### ii) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Harishbhai Fatandas Sawlani	240000	16.00	-	240000	16.00	-	0
2	Murlibhai Fatandas Sawlani	240000	16.00	-	240000	16.00	-	0
3	Vasudev Fatandas Sawlani	240000	16.00	-	240000	16.00	-	0
4	Reena Harish Sawlani	132000	8.80	-	132000	8.80	-	0
5	Priya Vasudev Sawlani	132000	8.80	-	132000	8.80	-	0
6	Disha Murlidhar Sawlani	132000	8.80	-	132000	8.80	-	0
<b>TOTAL</b>		<b>1116000</b>	<b>74.40</b>	<b>0</b>	<b>1116000</b>	<b>74.40</b>	<b>0</b>	<b>0</b>

**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.	Name of Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>01</b>	<b>Harishbhai Fatandas Sawlani</b>				
	At the beginning of the year	80000	16.00	80000	16.00
	Increase in Share holding on 11/07/2018 (Bonus Share)	160000	0	240000	16.00
	At the End of the year	240000	16.00	240000	16.00
<b>02</b>	<b>Murlibhai Fatandas Sawlani</b>				
	At the beginning of the year	80000	16.00	80000	16.00
	Increase in Share holding on 11/07/2018 (Bonus Share)	160000	0	240000	16.00
	At the End of the year	240000	16.00	240000	16.00
<b>03</b>	<b>Vasudev Fatandas Sawlani</b>				
	At the beginning of the year	80000	16.00	80000	16.00
	Increase in Share holding on 11/07/2018 (Bonus Share)	160000	0	240000	16.00
	At the End of the year	240000	16.00	240000	16.00
<b>04</b>	<b>Reena Harish Sawlani</b>				
	At the beginning of the year	44000	8.80	44000	8.80
	Increase in Share holding on 11/07/2018 (Bonus Share)	88000	0	132000	8.80
	At the End of the year	132000	8.80	132000	8.80
<b>05</b>	<b>Priya Vasudev Sawlani</b>				
	At the beginning of the year	44000	8.80	44000	8.80
	Increase in Share holding on 11/07/2018 (Bonus Share)	88000	0	132000	8.80
	At the End of the year	132000	8.80	132000	8.80
<b>06</b>	<b>Disha Murlidhar Sawlani</b>				
	At the beginning of the year	44000	8.80	44000	8.80
	Increase in Share holding on 11/07/2018 (Bonus Share)	88000	0	132000	8.80
	At the End of the year	132000	8.80	132000	8.80



## SHANTAI INDUSTRIES LIMITED

### iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	For Each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
01	<b>Prakashchand Sandh</b>				
	At the beginning of the year	19180	3.83	19180	3.83
	Increase in Share holding on 11/07/2018 (Bonus Share)	38360	0	57540	3.83
	At the End of the year	57540	3.83	57540	3.83
02	<b>Shyama Sanjay Shah</b>				
	At the beginning of the year	9974	1.99	9974	1.99
	Increase in Share holding on 11/07/2018 (Bonus Share)	19948	0	29922	1.99
	At the End of the year	29922	1.99	29922	1.99
03	<b>Sanjay Suresh Shah</b>				
	At the beginning of the year	9974	1.99	9974	1.99
	Net increase in Share holding during the year	4720	(1.02)	14694	0.97
	At the End of the year	14694	0.97	14694	0.97
04	<b>Sanjay Suresh Shah HUF</b>				
	At the beginning of the year	9974	1.99	9974	1.99
	Net increase in Share holding during the year	10386	(0.64)	20360	1.35
	At the End of the year	20360	1.35	20360	1.35
05	<b>Suman Vijaykumar Sandh</b>				
	At the beginning of the year	5754	1.15	5754	1.15
	Increase in Share holding on 11/07/2018 (Bonus Share)	11508	0	17262	1.15
	At the End of the year	17262	1.15	17262	1.15
06	<b>Ganeshkumar Sandh</b>				
	At the beginning of the year	5754	1.15	5754	1.15
	Increase in Share holding on 11/07/2018 (Bonus Share)	11508	0	17262	1.15
	At the End of the year	17262	1.15	17262	1.15
07	<b>Vijaykumar Sandh</b>				
	At the beginning of the year	5754	1.15	5754	1.15
	Increase in Share holding on 11/07/2018 (Bonus Share)	11508	0	17262	1.15
	At the End of the year	17262	1.15	17262	1.15
08	<b>Prakashchand Sikharchand Sandh</b>				
	At the beginning of the year	5754	1.15	5754	1.15
	Increase in Share holding on 11/07/2018 (Bonus Share)	11508	0	17262	1.15
	At the End of the year	17262	1.15	17262	1.15
09	<b>Sanju Ganesh Sandh</b>				
	At the beginning of the year	5754	1.15	5754	1.15
	Increase in Share holding on 11/07/2018 (Bonus Share)	11508	0	17262	1.15
	At the End of the year	17262	1.15	17262	1.15
10	<b>Sweety Prakashchand Sandh</b>				
	At the beginning of the year	5754	1.15	5754	1.15
	Increase in Share holding on 11/07/2018 (Bonus Share)	11508	0	17262	1.15
	At the End of the year	17262	1.15	17262	1.15

**V) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>01</b>	<b>Vasudev Fatandas Sawlani</b>				
	At the beginning of the year	80,000	16.00	80,000	16.00
	Increase in Share holding on 11/07/2018 by (Bonus Shares)	160000	0	240000	16.00
	At the End of the year	240000	16.00	240000	16.00
<b>02</b>	<b>Harishbhai Fatandas Sawlani</b>				
	At the beginning of the year	80,000	16.00	80,000	16.00
	Increase in Share holding on 11/07/2018 by (Bonus Shares)	160000	0	240000	16.00
	At the End of the year	240000	16.00	240000	16.00
<b>03</b>	<b>Reena Harish Sawlani</b>				
	At the beginning of the year	44000	8.80	44000	8.80
	Increase in Share holding on 11/07/2018 by (Bonus Shares)	88000	0	132000	8.80
	At the End of the year	132000	8.80	132000	8.80

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount	0	0	0	0
ii)	Interest due but not paid	0	0	0	0
iii)	Interest accrued but not due	0	0	0	0
<b>Total (i + ii + iii)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in Indebtedness during the financial year</b>					
* Addition		0	0	0	0
* Reduction		0	0	0	0
<b>Net Change</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	0	0	0	0
ii)	Interest due but not paid	0	0	0	0
iii)	Interest accrued but not due	0	0	0	0
<b>Total (i + ii + iii)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## SHANTAI INDUSTRIES LIMITED

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Vasudev Fatandas Sawlani	Harishbhai Fatandas Sawlani	
1.	Gross salary	900000	900000	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	900000	900000	1800000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	<b>Total (A)</b>	900000	900000	1800000/-
	Ceiling as per the Act	60,00,000	60,00,000	60Lakhs

#### B. Remuneration to other directors:

Sr. No	Particulars of Remuneration	Name of Directors		Total Amount
		Kirankumar Narharibhai Doshi	Omprakash Vishandas Lakhwani	
	<b>3. Independent Directors</b>			
	Fee for attending board committee meetings	40000	40000	80000
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	<b>Total (1)</b>	40000	40000	80000
	<b>4. Other Non-Executive Directors</b>	<b>Reena Harish Sawlani</b>		
	Fee for attending board committee meetings	160000		160000
	Commission	NIL		NIL
	Others, please specify-Remuneration	NIL		NIL
	<b>Total (2)</b>	160000		160000
	<b>Total (B)=(1+2)</b>	240000		240000
	Total Managerial Remuneration	240000		240000
	Overall Ceiling as per the Act	N.A.		N.A.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Sailesh J. Damor (Chief Financial Officer)	Shweta C. Shah (Company Secretary)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	180000	180000	360000/-
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - Others specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	<b>Total</b>	<b>180000</b>	<b>180000</b>	<b>360000/-</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

By Order of the Board  
For Shantai Industries Limited

Sd/-  
**Harishbhai F. Sawlani**  
(DIN: 00831848)

Chairman and Managing Director

Place : Surat  
Date : 24/05/2019

**DISCLOSURE OF POLICY FOR REMUNERATION OF  
DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES  
(Pursuant to subsection 3 and 4 of section 178 of The Companies Act 2013)**

**Remuneration Policy:**

1. Remuneration to managerial personnel will be recommended to the board by the committee and same shall be subject to approval of shareholders and/or central government where ever required.
2. Remuneration to managerial personnel shall be in accordance with the provisions of the Companies Act, 2013 and other applicable acts.
3. Increment to existing remuneration shall be as per recommendation of committee and within the limits approved by shareholders.

**➤ Remuneration to Managerial Personnel:**

1. The managerial personnel shall be entitled to monthly remuneration as approved by the board on recommendation of the committee and same shall be in accordance with the provision of the Companies act, 2013 and rules made there under. The breakup of pay scale and quantum of perquisites and non-monetary benefits shall also be approved by board on recommendation of the committee.
2. The managerial Personnel shall also be eligible to performance linked incentives as may be determined by board.
3. The managerial personnel may also be paid commission as may be approved by shareholders.
4. The managerial personnel shall be entitled to minimum remuneration in accordance with Schedule V of the Companies Act, 2013 in event of no profit or inadequacy of profit.

**➤ Remuneration to Non-executive / Independent directors:**

1. The remuneration shall be in accordance with the Companies Act, 2013 and rules made there under.
2. The non-executive/independent directors may receive sitting fees for attending the meeting of board of directors and/or committee which shall be within the prescribed limit under the act. Non – executive directors shall be reimbursed travelling and incidental expense for attending the meeting.
3. Non- executive directors may also be paid commission subject to approval by the shareholders and within the limit not exceeding 1% of the profit of the company.
4. Non-executive directors shall not be entitled stock options.

Form No. MR-3

## SECRETARIAL AUDIT REPORT

For The Financial year Ended on 31<sup>st</sup> March, 2019

[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 31<sup>st</sup> March, 2019 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 **Kiran Syntex Limited** for the financial year ended on 31<sup>st</sup> March, 2019 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;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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);**
    - 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 31<sup>st</sup> March, 2019;
- 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:*

**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.

**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.

**For K. Dalal & Co.**  
Company Secretaries

**Kunjal Dalal**  
Proprietor

Place : Surat  
Date : 24/05/2019

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.

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.

**For K. Dalal & Co.**  
Company Secretaries

**Kunjil Dalal**  
Proprietor  
FCS No. 3530 COP No. 3863

Place : Surat  
Date : 24/05/2019



- ❖ 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"> <li>• Loans and advances in the nature of loans to subsidiaries by name and amount: NIL</li> <li>• Loans and advances in the nature of loans to associates by name and amount: NIL</li> <li>• Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: NIL</li> </ul>
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

**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

**(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.

## SHANTAI INDUSTRIES LIMITED

### 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.

### (a) Product-wise performance:

Particulars	Unit	Sales (Quantity)	Sales (Amount)
Finished Goods (5407)	Mtr.	618053.02	22681206
Poly Poly Finished (Local)	Mtr.	86012.44	10413236
Dyed Polyester	Mtr.	158895.62	6469962
Poly Poly Grey 5408 (Local)	Mtr.	139461.20	4424329.5
Finished Goods (5515)	Mtr.	172888.35	6121566
Poly Poly Grey	Mtr.	1114516.41	48389459

### (c) Outlook:

We are hopeful of a better year ahead.

### (d) Risks and concerns:

Risk is an inherent part of any business. There are various types of risks, that threat the existence of a company like Strategic Risk, Business Risk, Finance 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.

### (e) 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.

### (f) Discussion on financial performance with respect to operational performance:

Particulars	As on 31/03/2019	As on 31/03/2018
Turnover and other income	128722806	520160060
Gross profit/Loss (-) before Financial Charges & depreciation	31592392	-25437
Interest and Financial Charges	253333	680540
Profit/Loss(-) before depreciation	31339059	-705977
Depreciation	237521	294873
Profit /Loss(-) After Tax for the year	22162478	-871481

**(g) 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.

- 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 of Directors  
For Shantai Industries Limited**

**Registered Office:**

820, Golden Point,  
Nr Telephone Exchange Begampura,  
Falsawadi, Ring Road Surat – 395003  
CIN: L74110GJ1988PLC013255  
Surat, May 24, 2019

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

# SHANTAI INDUSTRIES LIMITED

## 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 2019, 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, 2019, and profit, 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 12 of financial statement which states foreign trade receivable is subject to confirmation and note 13 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 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, 2019, duty drawback receivable of Rs 67.45 lacs and MEIS Receivable of Rs 74.61 lacs and which is recoverable since more than a year.	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**

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.

**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.
- 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

## SHANTAI INDUSTRIES LIMITED

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- 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 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

Place : Mumbai  
Date : 24<sup>th</sup> May 2019

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## 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 31 March 2019, 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 have 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, 2019 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.
- (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.
- (xvi) 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

Place : Mumbai  
Date : 24<sup>th</sup> May 2019

# SHANTAI INDUSTRIES LIMITED

## 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 31<sup>st</sup> March 2019 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;
- (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 31<sup>st</sup> March 2019, 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

Place : Mumbai

Date : 24<sup>th</sup> May 2019

# SHANTAI INDUSTRIES LIMITED

## BALANCE SHEET AS AT 31/03/2019

In ₹

Particulars		Note	As at 31st March 2019	As at 31st March 2018
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non- current assets</b>			
	(a) Property Plant and Equipment	2.01	238,594	415,607
	(b) Other Intangible assets	2.01	18,899	51,300
	(c) Defferred Tax Assets (net)	2.02	238,935	127,995
	(d) Other Non Current Assets	2.03	-	169,347
	<b>Total Non Current Assets</b>		<b>496,428</b>	<b>764,249</b>
<b>2</b>	<b>Current assets</b>			
	(a) Finanacial Assets			
	(i) Inventories	2.04	2,055,250	14,198,707
	(ii) Trade receivables	2.05	250,171,007	762,757,656
	(iii) Cash and bank balances	2.06	12,297,141	5,349,251
	(iv) Short-term loans and advances	2.07	38,019,891	20,109,182
	<b>(b) Other current assets</b>	2.08	<b>1,082,067</b>	<b>2,322,343</b>
	<b>Total Current Assets</b>		<b>303,625,356</b>	<b>804,737,139</b>
	<b>TOTAL ASSETS</b>		<b>304,121,784</b>	<b>805,501,388</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share capital	2.09	15,000,000	15,000,000
	(b) Other Equity (Reserve and Surplus)	2.10	70,954,254	48,791,775
	<b>Total Equity</b>		<b>85,954,254</b>	<b>63,791,775</b>
<b>2</b>	<b>Non Current Liabilities</b>			
	(a) Provisions	2.11	796,731	350,768
	<b>Total Non Current Liabilities</b>		<b>796,731</b>	<b>350,768</b>
<b>3</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade payables	2.12	190,813,909	741,069,719
	(ii) Other Current Financial Liabilities	2.13	24,340,008	289,126
	(b) Provisions	2.14	2,216,882	-
	<b>Total Current Liabilities</b>		<b>217,370,799</b>	<b>741,358,845</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>304,121,784</b>	<b>805,501,388</b>
<b>Significant Accounting Policies</b>		1		
<b>Notes forming part of the financial statements</b>		2 to 14		

In terms of our attached 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

**Harish F. Sawlani**  
Chairman and MD  
DIN 00831848

**Vasudev F. Sawlani**  
MD  
DIN 00831830

**Reena H. Sawlani**  
Director  
DIN 07245653

Place : Mumbai  
Date : 24<sup>th</sup> May 2019

**Kirankumar N. Doshi**  
Non Executive Director  
DIN 02054470

**Omprakash V. Lakhwani**  
Independent Director  
DIN 08033361

**Sailesh J. Damor**  
CFO

**Shweta C. Shah**  
CS

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2019

In ₹

Particulars		Note	31/03/2019	31/03/2018
	<b>INCOME</b>			
	(a) Revenue from operations	2.15	128,257,275	519,937,580
	(b) Other income	2.16	465,531	222,480
<b>1</b>	<b>Total Income</b>		<b>128,722,806</b>	<b>520,160,060</b>
	<b>EXPENSES:</b>			
	(a) Employee benefit expenses	2.17	4,060,875	3,209,995
	(b) Depreciation and amortisation expenses	2.01	237,521	294,873
	(c) Finance Cost	2.18	253,333	680,540
	(d) Other expenses	2.19	4,877,100	7,524,793
	(e) Purchase of Stock-in-Trade	2.20	76,048,982	491,683,752
	(f) Change in Inventories of finished goods	2.21	12,143,457	17,766,957
<b>2</b>	<b>Total Expenses</b>		<b>97,621,268</b>	<b>521,160,910</b>
<b>3</b>	<b>Profit before Exceptional Items and Tax</b>		<b>31,101,538</b>	<b>(1,000,850)</b>
<b>4</b>	Exceptional items		-	-
<b>5</b>	<b>Profit before Tax from Continuing Operations</b>		<b>31,101,538</b>	<b>(1,000,850)</b>
<b>6</b>	<b>Income Tax expense:</b>			
	(a) Current tax		9,050,000	-
	(b) Deferred tax		(110,940)	(129,369)
<b>7</b>	<b>Profit for the year</b>		<b>22,162,478</b>	<b>(871,481)</b>
<b>8</b>	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to Statement of Profit and Loss		-	-
	Items that will be reclassified to Statement of Profit and Loss		-	-
<b>9</b>	<b>Total Comprehensive Income for the period</b>		<b>22,162,478</b>	<b>(871,481)</b>
<b>10</b>	<b>Earning Per Share (Equity Share of Rs. 10/- Each)</b>			
	Basic and Diluted		14.77	(0.71)
	Significant Accounting Policies	1		
	Notes forming part of the financial statements	2 to 14		

In terms of our attached 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

**Harish F. Sawlani**  
Chairman and MD  
DIN 00831848

**Vasudev F. Sawlani**  
MD  
DIN 00831830

**Reena H. Sawlani**  
Director  
DIN 07245653

Place : Mumbai  
Date : 24<sup>th</sup> May 2019

**Kirankumar N. Doshi**  
Non Executive Director  
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**Sailesh J. Damor**  
CFO

**Shweta C. Shah**  
CS

# SHANTAI INDUSTRIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2019

In ₹

Particular		31/03/2019	31/03/2018
<b>A</b>	<b>Cash flow from operating activities</b>		
	Net Profit/(Loss) Before Tax	31,101,538	(1,000,850)
	Adjustment for:		
	Depreciation	237,521	294,873
	Finance cost	253,333	680,540
	Interest on Fixed Deposit	(227,631)	(222,480)
	Prelim. & Pre-operative Exp written off	254,020	84,673
	<b>Operating profit before working capital changes</b>	<b>31,618,781</b>	<b>(163,244)</b>
	<b>Adjustment for:</b>		
	Decrease/(Increase) in Trade receivables	512,586,649	105,092,758
	Decrease/(Increase) in Inventories	12,143,458	17,766,957
	Decrease/(Increase) in Short Term Loans and advances	(17,910,709)	15,041,565
	Decrease/(Increase) in Other current assets	1,155,603	2,672,685
	(Decrease)/Increase in Long term provisions	445,963	143,076
	(Decrease)/Increase in Trade payables	(550,255,810)	(132,408,543)
	(Decrease)/Increase in Other current liabilities	20,023,645	176,122
	(Decrease)/Increase in Short term provisions	2,216,882	(3,939,888)
	<b>Cash flow from / (used in) Operating activities</b>	<b>12,024,461</b>	<b>4,381,488</b>
	Direct Taxes Paid	(5,022,763)	(1,722,249)
	<b>Total cash from / (used in) operating activities</b>	<b>7,001,698</b>	<b>2,659,239</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Acquisition of Fixed Assets	(28,107)	(627,205)
	Interest income on Fixed Deposit	227,631	222,480
	<b>Net Cash from/ (used) Investing Activities</b>	<b>199,524</b>	<b>(404,725)</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Finance cost	(253,333)	(680,540)
	Net Cash used from Financing Activities	<b>(253,333)</b>	<b>(680,540)</b>
	<b>Net Increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>6,947,890</b>	<b>1,573,974</b>
	Cash and cash equivalents as at beginning of the year	5,349,251	3,775,277
	<b>Cash and cash equivalents as at end of the year</b>	<b>12,297,141</b>	<b>5,349,251</b>
	<b>Cash and cash equivalents comprise of:</b>		
	Cash and Bank Balances ( Refer Note 2.06)	12,297,141	5,349,251

### 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.

In terms of our attached 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

**Harish F. Sawlani**  
 Chairman and MD  
 DIN 00831848

**Vasudev F. Sawlani**  
 MD  
 DIN 00831830

**Reena H. Sawlani**  
 Director  
 DIN 07245653

Place : Mumbai  
 Date : 24<sup>th</sup> May 2019

**Kirankumar N. Doshi**  
 Non Executive Director  
 DIN 02054470

**Omprakash V. Lakhwani**  
 Independent Director  
 DIN 08033361

**Sailesh J. Damor**  
 CFO

**Shweta C. Shah**  
 CS

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.03.2019**

**a Equity Share Capital**

Particulars	No. of Shares	Amount
As at 01.04.2016	500,000	5,000,000
Add: Shares issued during the year	1,000,000	10,000,000
<b>Balance at the 31.03.2017</b>	<b>1,500,000</b>	<b>15,000,000</b>
Add: Shares issued during the year	-	-
<b>Balance at the 31.03.2018</b>	<b>1,500,000</b>	<b>15,000,000</b>
Add: Shares issued during the year	-	-
<b>Balance at the 31.03.2019</b>	<b>1,500,000</b>	<b>15,000,000</b>

**b Other Equity**

Amount Rs.

Particulars	Other Equity				Total
	Retained Earnings	General Reserve	Capital Reserve	Other Comprehensive Income	
Balance at 01 April 2017	27,503,134	30,568,006	2,065,886	-	60,137,026
Addition During the year	(871,481)	-	-	-	(871,481)
Transfer to retained earnings	-	-	-	-	-
Any other change:					
Add/(Less) :					
Other	-	(473,770)	-	-	(473,770)
Transfer to General Reserve	(20,000,000)	-	-	-	(20,000,000)
Transfer from Retained Earnings	-	20,000,000	-	-	20,000,000
Bonus share issued	-	(10,000,000)	-	-	(10,000,000)
<b>Balance at 31 March 2018</b>	<b>6,631,653</b>	<b>40,094,236</b>	<b>2,065,886</b>	<b>-</b>	<b>48,791,775</b>
Addition During the year					
Transfer to retained earnings	22,162,478				22,162,478
Any other change:					
Add/(Less) :					
Transfer to General Reserve	-	-	-	-	-
Transfer from Retained Earnings	-	-	-	-	-
Bonus share issued	-	-	-	-	-
<b>Balance at 31 March 2019</b>	<b>28,794,131</b>	<b>40,094,236</b>	<b>2,065,886</b>	<b>-</b>	<b>70,954,254</b>

In terms of our attached 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  
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**Harish F. Sawlani**  
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DIN 00831848

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Director  
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Place : Mumbai  
Date : 24<sup>th</sup> May 2019

**Kirankumar N. Doshi**  
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Independent Director  
DIN 08033361

**Sailesh J. Damor**  
CFO

**Shweta C. Shah**  
CS

# SHANTAI INDUSTRIES LIMITED

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## 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 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:

Sl.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 is 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 realisable 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 RECOGNITION**

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.

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.

### 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.

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.

#### q. **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.

## Note 2.01: Property, Plant and Equipment

Amount Rs.

Particulars	Property, plant and equipment			Total	Other Intangible assets
	Furniture	Computer Equipments	Plant and Machinery		Computer Software
Gross Carrying as at 31 March 2017	-	18,900	144,375	163,275	-
Addition during the year	25,568	534,900	11,000	571,468	55,737
Deletion during the year		-	-	-	-
<b>As at 31 March 2018</b>	<b>25,568</b>	<b>553,800</b>	<b>155,375</b>	<b>734,743</b>	<b>55,737</b>
Addition during the year			28,107	28,107	
Deletion during the year					
<b>As at 31 March 2019</b>	<b>25,568</b>	<b>553,800</b>	<b>183,482</b>	<b>762,850</b>	<b>55,737</b>
<b>Depreciation and impairment</b>					
As at 1st April 2017	-	-	-	-	-
Depreciation charge for the year		6,933	21,767	28,700	-
Deletion during the year	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>-</b>	<b>6,933</b>	<b>21,767</b>	<b>28,700</b>	<b>-</b>
Depreciation charge for the year	4,387	263,054	22,995	290,436	4,437
Deletion during the year	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>4,387</b>	<b>269,987</b>	<b>44,762</b>	<b>319,136</b>	<b>4,437</b>
<b>Net book value</b>					
<b>At 31 March 2019</b>	<b>15,339</b>	<b>104,557</b>	<b>118,698</b>	<b>238,594</b>	<b>18,899</b>
<b>At 31 March 2018</b>	<b>21,181</b>	<b>283,813</b>	<b>110,613</b>	<b>415,607</b>	<b>51,300</b>

## SHANTAI INDUSTRIES LIMITED

### 2.02 Deferred tax assets / (Liabilities) (Net)

Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
<b>Deferred Tax Assets</b>		
On difference between book balance and tax balance of fixed assets	31,785	19,608
Provision for gratuity	207,150	108,387
<b>Deferred Tax Liabilities</b>		
On difference between book balance and tax balance of fixed assets	-	-
<b>Total</b>	<b>238,935</b>	<b>127,995</b>

### 2.03 Other Non-Current Assets

Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
Prelim. & Pre-Operative Exps.	-	169,347
<b>Total</b>	<b>-</b>	<b>169,347</b>

### 2.04 Inventories

Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
Stock in Trade	2,055,250	14,198,707
<b>Total</b>	<b>2,055,250</b>	<b>14,198,707</b>

### 2.05 Trade receivables

Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
<b>Unsecured, Considered Good</b>		
Trade Receivable	250,171,007	762,757,656
	250,171,007	762,757,656

### 2.06 Cash and bank balances

Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
<b>Cash and cash equivalents</b>		
Balances with banks	8,253,102	1,053,159
Cash in hand	483,461	940,382
Fixed Deposits with bank with maturity less than 12 months	-	-
	<b>8,736,563</b>	<b>1,993,541</b>
Fixed Deposits with bank with maturity more than 12 months	3,560,578	3,355,710
	<b>12,297,141</b>	<b>5,349,251</b>

**2.07 Other current financial assets**

Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
Drawback on Export Receivable	6,744,693	8,953,955
MEIS Receivable	7,461,028	10,104,072
Advance to supplier	22,813,949	-
ROSL on Export Receivable	1,000,221	1,051,155
	<b>38,019,891</b>	<b>20,109,182</b>

**2.08 Other current assets**

Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
<b>Balance with Revenue Authority</b>		
TDS and Advance Tax	-	1,810,355
Input Tax Credit of GST	1,082,067	427,315
Prelim. & Pre-Operative Exps.	-	84,673
<b>Total</b>	<b>1,082,067</b>	<b>2,322,343</b>

**2.09 Equity Share Capital**

Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
<b>Authorised</b>		
50,00,000 (P Y 5,00,000) Equity shares of Rs 10/- par value.	50,000,000	5,000,000
	<b>50,000,000</b>	<b>5,000,000</b>
<b>Issued Capital</b>		
15,00,000 (P Y 5,00,000) Equity shares of Rs 10/- par value.	15,000,000	5,000,000
	<b>15,000,000</b>	<b>5,000,000</b>
<b>Subscribed and Paid Up Capital</b>		
15,00,000 (5,00,000) Equity shares of Rs. 10/- each fully paid up.	15,000,000	5,000,000
	<b>15,000,000</b>	<b>5,000,000</b>

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

**Equity shares**

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	Amount (₹)	Number	Amount (₹)
Number of shares at the beginning of the year	1,500,000	15,000,000	500,000	5,000,000
Add: Shares issued during the year	-	-	1,000,000	10,000,000
Number of shares at the end of the year	1,500,000	15,000,000	1,500,000	15,000,000

**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.

## SHANTAI INDUSTRIES LIMITED

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 2019		As at 31st March 2018		
	Equity shares of Rs. 10 each fully paid	No of shares	% of holding	No of shares	% of holding
Disha M Sawlani		132,000	8.80%	44,000	8.80%
Harish F. Sawlani		240,000	16.00%	80,000	16.00%
Murli F. Sawlani		240,000	16.00%	80,000	16.00%
Priya V. Sawlani		132,000	8.80%	44,000	8.80%
Reena H. Sawlani		132,000	8.80%	44,000	8.80%
Vasudev F. Sawlani		240,000	16.00%	80,000	16.00%
		<b>1,116,000</b>		<b>372,000</b>	

### 2.10 Other Equity (Reserve and Surplus)

Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
<b>Capital Reserve-Opening</b>	2,065,886	2,065,886
Addition	-	-
Deduction	-	-
<b>Capital Reserve-Closing (A)</b>	<b>2,065,886</b>	<b>2,065,886</b>
<b>General Reserve-Opening</b>	40,094,236	30,568,006
Addition	-	20,000,000
Deduction	-	10,473,770
<b>General Reserve-Closing (B)</b>	<b>40,094,236</b>	<b>40,094,236</b>
<b>Profit and loss Opening</b>	6,631,653	27,503,134
Amount Transferred From Statement of P&L	22,162,478	(871,481)
<b>Appropriation and Allocation</b>		
Transfer to General Reserve	-	20,000,000
	-	<b>20,000,000</b>
<b>Profit and loss Closing (C..)</b>	<b>28,794,132</b>	<b>6,631,653</b>
<b>Closing (A+B+C)</b>	<b>70,954,254</b>	<b>48,791,775</b>

### 2.11 Provisions

Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
Provision for employee benefits		
Provision for Gratuity	796,731	350,768
	<b>796,731</b>	<b>350,768</b>

**2.12 Trade payables**

Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
<b>Total Outstanding of</b>		
- Micro, Small and Medium Enterprises(MSME) (Refer Note no. 10)		
- Other than MSME	190,813,909	741,069,719
	190,813,909	741,069,719

**2.13 Other Current Financial Liabilities**

Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
Payables for expenses	713,507	217,508
Advance received from customer	23,032,089	-
Statutory dues payable	594,412	71,618
<b>Total</b>	<b>24,340,008</b>	<b>289,126</b>

**2.14 Provisions**

Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
Provision for Income Tax	2,216,882	-
	<b>2,216,882</b>	-

**2.15 Revenue from operations**

Particulars	Period Ended 31st March 2019	Period Ended 31st March 2018
<b>Sale of Products</b>		
Export Sales	16,883,198	101,409,207
Sales	77,006,429	417,388,134
<b>Other Operating Revenues</b>		
Drawback on Export	285,142	7,821,250
Foreign Exchange Gain ( Loss)	28,776,205	(23,422,575)
M.E.I.S. Benefit	5,306,302	13,750,467
ROSL on Export	-	2,991,098
<b>Total</b>	<b>128,257,275</b>	<b>519,937,580</b>

**2.16 Other income**

Particulars	Period Ended 31st March 2019	Period Ended 31st March 2018
<b>Interest income</b>		
- Interest on FD	227,631	222,480
Miscellaneous income	237,900	-
<b>Total</b>	<b>465,531</b>	<b>222,480</b>

## SHANTAI INDUSTRIES LIMITED

### 2.17 Employee benefit expenses

Particulars	Period Ended 31st March 2019	Period Ended 31st March 2018
Salaries, wages, bonus, etc.	4,032,617	3,180,435
Employee welfare expenses	28,258	29,560
	<b>4,060,875</b>	<b>3,209,995</b>

### 2.18 Finance cost

Particulars	Period Ended 31st March 2019	Period Ended 31st March 2018
<b>Bank Charges</b>		
Foreign Bank Charges	66,443	146,339
Bank Commission	186,890	500,864
FBC Charges	-	33,337
	<b>253,333</b>	<b>680,540</b>

### 2.19 Other expenses

Particulars	Period Ended 31st March 2019	Period Ended 31st March 2018
Loading Unloading Charges	133,244	279,090
Shipping Expense on Export	122,637	1,016,759
Shipping Agency Charges	10,780	-
Misc. Job Work	-	3,840,809
Packing Material Purchase	288,338	55,822
Stationery Printing Expense	34,995	65,855
Rent Exp.	120,000	120,000
Rates and Taxes	15,287	27,949
Auditors Remuneration	225,000	225,000
Directors sitting Fees	240,000	280,000
Electricity Expense	53,274	56,979
Conveyance Exp.	38,100	26,665
Legal and Professional Fees	1,062,431	442,979
Filing Fees	9,400	606,700
Listing Fees	295,000	287,500
Annual Custody Fees NSDL	10,620	10,389
Annual Fees CDSL	10,620	13,225
Office Exp.	61,323	32,055
Advertisement	28,000	28,349
Prelim. & Pre-operative Exp.	254,020	84,673
Processing Labour Charges	563,498	-
Foreign Traveling Expense	1,057,410	-
Donation	71,000	-
Freight Charges	97,430	-
Miscellaneous Expenses	74,693	23,995
<b>Total</b>	<b>4,877,100</b>	<b>7,524,793</b>



**2.20 Purchase of Stock-in-Trade**

Particulars	Period Ended 31st March 2019	Period Ended 31st March 2018
Purchase of Stock in Trade	76,048,982	491,683,752
<b>Total</b>	<b>76,048,982</b>	<b>491,683,752</b>

**2.21 Change in Inventories of finished goods**

Particulars	Period Ended 31st March 2019	Period Ended 31st March 2018
<b>Opening</b>		
Stock in Trade	14,198,707	31,965,664
<b>Closing</b>		
Stock in Trade	2,055,250	14,198,707
<b>Increase / Decrease</b>	<b>12,143,457</b>	<b>17,766,957</b>

**3. Contingent Liabilities Not Provided For**

Description	2018-19	2017-18
Guarantees given by Banks on behalf of the Company	30,35,893	30,35,893

**4. 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"> <li>• Shantai Exim Ltd</li> <li>• Sawlani Synthetics Private Ltd</li> <li>• Shantai Technology Private Ltd</li> <li>• Shantai Realty (India) Ltd</li> <li>• Sawlani Silk Mills</li> <li>• Shantai Developers</li> </ul>
2. Key Management Personnel	<ul style="list-style-type: none"> <li>• Murli F. Sawlani</li> <li>• Harish F. Sawlani</li> <li>• Vasudev F. Sawlani</li> </ul>

**5. Transactions with Related Parties:**

Sr. No.	Nature of Transactions	With Associate Companies (₹)	With Key Management Personnel (₹)	Total
1.	Remuneration	-	27,00,000 (18,00,000)	27,00,000 (18,00,000)
2.	Rent	1,20,000 (1,20,000)	-	1,20,000 (1,20,000)
3.	Reimbursement of Expenses	20,632 (26,886)	-	20,632 (26,886)
4.	Loans and Advances	Nil (1,22,00,000)	-	Nil (1,22,00,000)

(Figures in brackets pertains to previous financial year)

## SHANTAI INDUSTRIES LIMITED

### Balance as at 31.03.2019

Name of Related Party	Nature of Relations	Amount
Payables		
Shantai Technology Ltd	Associate	Nil (2082)

(Figures in brackets pertains to previous financial year)

6. Profit includes forex gain of Rs 287.76 lacs.
7. 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:

	2018-2019 ₹	2017-2018 ₹
Not later than 1 year	1,20,000	1,20,000
Later than 1 year and Not later than 5 years	85,000	2,05,000
Later than 5 years	Nil	Nil
<b>Total</b>	<b>2,05,000</b>	<b>3,35,000</b>

### 8. EARNING PER SHARE

Particulars	CURRENT YEAR	PREVIOUS YEAR
Weighted average number of shares at the end of the year	15,00,000	12,31,507
Net Profit after tax available for Equity Shareholders	2,21,62,479	-8,71,481
Basic and diluted EPS (Rs.)	<b>14.77</b>	(0.71)

### 9. PAYMENT TO AUDITORS

Particulars	Current Year	Previous Year
As Statutory Auditor	1,75,000	1,75,000
Tax Audit fees	50,000	50,000
<b>TOTAL</b>	<b>2,25,000</b>	2,25,000

10. 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.
11. During the previous year, the two bank account of the Company (Kotak Bank from 24.04.2018 to 11.04.2018 and Bank of Baroda from 24.01.2018 to 10.04.2018 ) was freeze by the Directorate of Revenue Intelligence (DRI) department on account of suspected investigation against the Company. As per information given to us by the management of the Company, this investigation on the Company was due to raid by DRI on one its group Company M/s Shantai Exim Ltd in respect of duty drawback. In the opinion of the management of the Company, there is no financial or legal impact to the Company.
12. Balances showing trade receivable of export sales of Rs 14.97 crores is subject to confirmation.
13. 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.

**14. 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 optimising 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.

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.

- 15.** 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.

In terms of our attached 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

<b>Harish F. Sawlani</b> Chairman and MD DIN 00831848	<b>Vasudev F. Sawlani</b> MD DIN 00831830	<b>Reena H. Sawlani</b> Director DIN 07245653
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Place : Mumbai  
Date : 24<sup>th</sup> May 2019

<b>Kirankumar N. Doshi</b> Non Executive Director DIN 02054470	<b>Omprakash V. Lakhwani</b> Independent Director DIN 08033361	<b>Sailesh J. Damor</b> CFO	<b>Shweta C. Shah</b> CS
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**SHANTAI INDUSTRIES LIMITED**

**(Formerly Known as Wheel and Axle Textiles Limited)**

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

**ATTENDANCE SLIP**

To be handed over at the entrance of the Meeting Hall 34<sup>th</sup> 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 34<sup>th</sup> Annual General Meeting of Shantai Industries Limited held on Thursday 05/09/2019 at 04.00 p.m. at 435, Sawlani Silk Mills Compound, G.I.D.C. Pandesara, Surat 394221.

\_\_\_\_\_  
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 Limited)**

Regd. Office : 820, Golden Point, Nr Telephone Exchange Begampura, Falsawadi, Ring Road, Surat 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 : L74110GJ1988PLC013255

Name of the company : **Shantai Industries Limited (Formerly Known as Wheel and Axle Textiles Limited)**

Registered office : 820, Golden Point, Nr Telephone Exchange Begampura, Falsawadi, Ring Road, Surat 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 : \_\_\_\_\_

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 Thursday 05/09/2019 at 04.00 p.m. at 435, Sawlani Silk Mills Compound, G.I.D.C. Pandesara, Surat 394221 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 2019



Sr. No.	Resolution	For	Against
<b>Ordinary Business:-</b>			
1	Adoption of Audited Financial Statements for the year 31st March, 2019.		
2	Reappointment of Smt. Reena Harishbhai Sawlani as director		

Signed this.....day of.....2019.

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.

**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]

**BALLOT / POLL FORM**

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)
<b>Ordinary Business</b>				
1	Adoption of Audited Financial Statements for the year 31 <sup>st</sup> March, 2019.			
2.	Reappointment of Smt. Reena Harishbhai Sawlani as director			

Place :

Date :

\_\_\_\_\_  
Signature of Member / Beneficial Owner

*If undelivered please return to*

**SHANTAI INDUSTRIES LIMITED**

**(Formerly Known as Wheel and Axle Textiles Limited)**

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