

7th Annual Report
2017-18



shanti
OVERSEAS (INDIA) LTD.
— synthesizing organically —



JOURNEY SO FAR

Year 2004

- Incorporated as partnership firm “M/s Shanti Overseas”
- Started with Processing of chickpeas for domestic market



Year 2011

- Conversion of partnership firm into private company in 2011
- Started exporting to countries - USA, Canada, Turkey, Dubai, Pakistan Sri Lanka, Spain etc.



Year 2015

- Manufacturing & export of organic Soya Meal, Expeller pressed oil and Lecithin



Year 2012

- Starts to market garbanzo bean (Kabuli chana) under registered brand name “Kitchen Pride”



Year 2017

- Listed on NSE SME Emerge platform
- Foundation of new plant



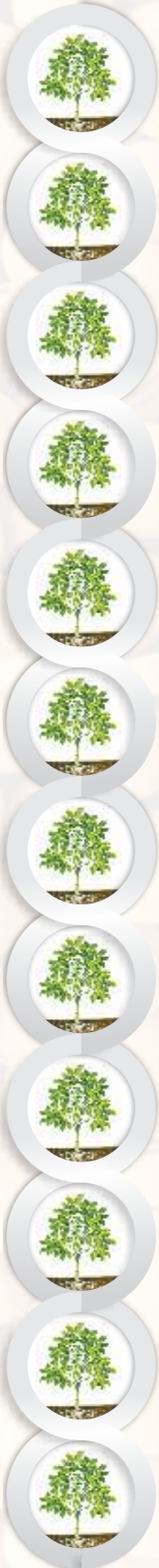
Year 2013

- Started Grading, Processing & Exports of Soyabean in USA





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CORPORATE INFORMATION

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OVERSEAS (INDIA) LTD.
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BOARD OF DIRECTORS

1. Mr. Mukesh Kacholia : Managing Director
2. Mr. Ayush Kacholia : Whole-time Director
3. Mr. Rohan Kacholia : Whole-time Director
4. Mrs. Sangeeta Kacholia : Non-Executive Director
5. Mr. Rajendra Gordhandas Nawal : Independent Director
6. Mr. Vijay Nichani : Independent Director

AUDIT COMMITTEE

1. Mr. Vijay Nichani : Chairman
2. Mr. Rajendra Gordhandas Nawal : Member
3. Mr. Mukesh Kacholia : Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

1. Mr. Vijay Nichani : Chairman
2. Mr. Rajendra Gordhandas Nawal : Member
3. Mr. Ayush Kacholia : Member

NOMINATION AND REMUNERATION COMMITTEE

1. Mr. Vijay Nichani : Chairman
2. Mr. Rajendra Gordhandas Nawal : Member
3. Mrs. Sangeeta Kacholia : Member

NAME OF THE STOCK EXCHANGE

(Where the Company's Shares are Listed)
NSE-SME PLATFORM
Exchange Plaza, Plot No. C/1, G Block,
Bandra -Kurla Complex, Mumbai 400051
(w.e.f. 03.08.2017)
Symbol- SHANTI

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400083 (M.H.)
Tel: + 91-22-49186000 - Fax: + 91-22-41986060
E mail: mumbai@linkintime.co.in
Website: www.linkintime.co.in

REGISTERED OFFICE

215-216, Vikram Tower, 1st Floor
Sapna Sangeeta Road,
Indore -452001
CIN: L51211MP2011PLC025807
Tel: +91-731-4020586, +91-731-4020587
Email: mail@shantioverseas.com
Website: www.shantioverseas.com

FACTORY :

Survey No. 1035 to 1071 / 6, Gram Dhannad
Tehsil Depalpur, Rau-Pithampur Road,
Opp. Garg Fuel Dist. Indore 453001 (M.P.)

STATUTORY AUDITORS

M/s. Muchhal & Gupta
Chartered Accountants
208, Shalimar Corporate
Centre, 8-B South Tukoganj,
Indore-452001 (M.P.)

SECRETARIAL AUDITORS

M/s. Archana Maheshwari & Co.
Company Secretaries
"Kamal Kripa", 97, Jaora
Compound, Indore (M.P.) - 452001

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Ramita Otvani
(w.e.f. 01/05/2017)

CHIEF FINANCIAL OFFICER

Mrs. Karuna Kacholia
(w.e.f. 01/05/2017)

INTERNAL AUDITORS

M/s S. Ramanand Aiyar & Co.
(FRN 000990N)
SPARK HOUSE, Plot No. 51
Scheme No. 53, Near Medanta
Hospital, Vijay Nagar, Indore

BANKERS

HDFC Bank

Sapna Sangeeta Road, Indore

Kotak Mahindra Bank

Shreemaya Sq. Branch Indore

State Bank of India

Sanyogitaganj Branch, Indore

Punjab National Bank

Sonway Branch, Indore



ABOUT US



- Among leading players in soya products manufacturing & exports
- Listed on SME Emerge platform in 2017-18



- Engaged in manufacturing and exports of soya products – soyameal (expeller variety), soya crude oil and soya lecithin



- Primary processing and trading of agri commodities such as chickpeas, soyabeans, cracked corn, maize, rice, red cow pea, black eye bean, red lentil, yellow peas, pulses etc
- Grading & Processing of garbanzo bean (Kabuli chana) & marketing under brand “Kitchen Pride”



- State of Art Processing & Manufacturing facilities are situated at Palda and Dhannad, Dist Indore, Madhya Pradesh, India



- Awarded status of “One Star Export House” by Ministry of Commerce & Industry, Government of India
- Received ISO 22000:2005, FSSAI Licence, registered with USFDA, organic certificates NOP & NPOP



- Products exported to major foreign countries - USA, Canada, Turkey, Dubai, Pakistan, Sri Lanka, Madagascar, Spain etc.
- In F.Y. 2016-17, exports constituted of over 75% of total revenue from operations



INDUSTRY OVERVIEW

- Soya bean has an important place in world's oil seed cultivation scenario, due to its high productivity, profitability and vital contribution towards maintaining soil fertility.
- Crop also has prominent place as world's most important seed legume, which contributes 25% to global vegetable oil production, about two thirds of world's protein concentrate for livestock feeding and is valuable ingredient in formulated feeds for poultry and fish.
- About 85% of world's soya beans are processed annually into soybean meal and oil.
- Approximately 98% of soya bean meal is crushed and further processed into animal feed with balance used to make soy flour and proteins.
- Oil fraction, 95% is consumed as edible oil; rest is used for industrial products such as fatty acids, soaps and bio diesel.
- Major soybean producing nations are United States, Brazil and Argentina – 3 countries dominate global production, accounting for 80% of world's soya bean supply.
- India currently grows about 10 million tons of soya bean, which is only about 4% of world production.
- India only country in world to grow Non-GMO soya bean which gives Indian farmers an unique advantage.
- Soya bean contributes significantly to Indian edible oil pool.
- Presently soya bean contributes 43% to total oil seeds and 25% to total oil production in country.

WORLD SOYMEAL PRODUCTION

| Year | Argentina | Brazil | US | Paraguay | India | China | European Union | Canada | Mexico | Other | Total |
|-----------|-----------|--------|--------|----------|-------|-------|----------------|--------|--------|-------|--------|
| 2017-2018 | 31.2 | 15.25 | 11.068 | 2.5 | 1.7 | 1.4 | 0.3 | 0.3 | 0.014 | 3.348 | 67.08 |
| 2016-2017 | 31.323 | 13.762 | 10.524 | 2.407 | 2 | 1.111 | 0.333 | 0.292 | 0.013 | 2.911 | 64.676 |
| 2015-2016 | 30.333 | 15.407 | 10.844 | 2.552 | 0.409 | 1.909 | 0.304 | 0.334 | 0.014 | 3.316 | 65.422 |
| 2014-2015 | 28.575 | 14.29 | 11.891 | 2.569 | 1.521 | 1.595 | 0.362 | 0.212 | 0.015 | 3.372 | 64.402 |
| 2013-2014 | 24.972 | 13.948 | 10.504 | 2.428 | 3.252 | 2.017 | 0.296 | 0.241 | 0.019 | 2.963 | 60.64 |

WORLD SOY OIL PRODUCTION

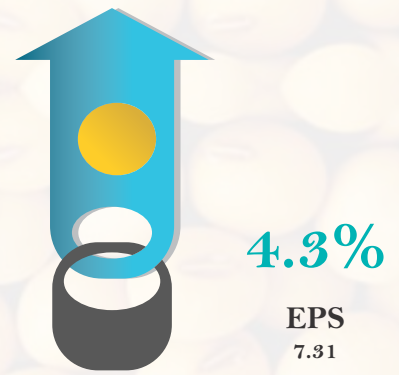
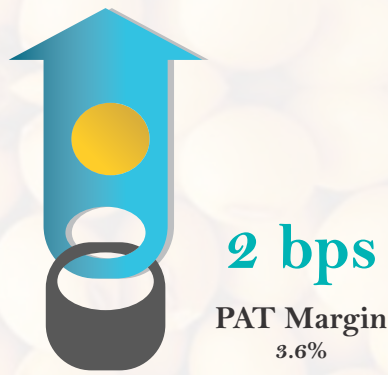
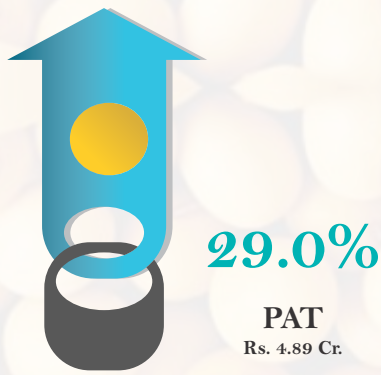
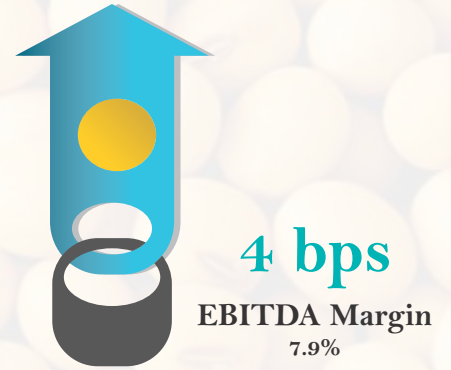
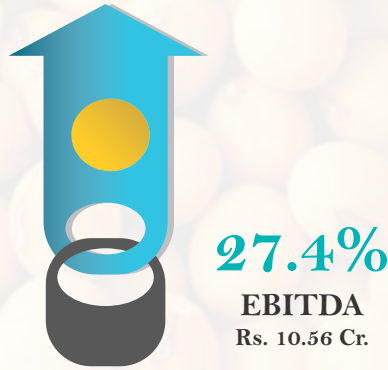
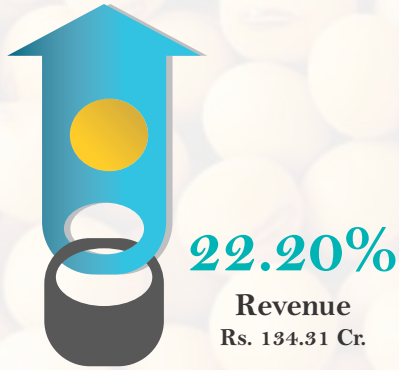
| Year | China | US | Argentina | Brazil | European Union | India | Mexico | Paraguay | Canada | Other | Total |
|-----------|--------|--------|-----------|--------|----------------|-------|--------|----------|--------|-------|--------|
| 2017-2018 | 17.024 | 10.217 | 8.44 | 8.06 | 2.755 | 1.575 | 0.842 | 0.7 | 0.36 | 5.96 | 55.933 |
| 2016-2017 | 15.77 | 10.024 | 8.395 | 7.85 | 2.736 | 1.655 | 0.82 | 0.73 | 0.36 | 5.61 | 53.95 |
| 2015-2016 | 14.605 | 9.956 | 8.433 | 7.63 | 2.841 | 1.025 | 0.785 | 0.72 | 0.36 | 5.237 | 51.592 |
| 2014-2015 | 13.347 | 9.706 | 7.687 | 7.76 | 2.746 | 1.386 | 0.745 | 0.7 | 0.321 | 4.91 | 49.308 |
| 2013-2014 | 12.335 | 9.131 | 6.785 | 7.07 | 2.489 | 1.566 | 0.72 | 0.665 | 0.276 | 4.193 | 45.23 |

Source : The Soybean Processors Association of India
Figures : In Million Metric Tons



ANNUAL FINANCIAL HIGHLIGHTS - FY18 STANDALONE

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COMPANY'S PHILOSOPHY

The company's philosophy is linked with its Logo- "PRIDE" which is defined as follows:

- P - Passion for Success
- R - Relationship with customers
- I - Innovation in everything we do
- D - Dedication towards work
- E - Entrepreneurship

We at **Shanti Overseas (India) Ltd.** registered our logo of deer with horns and leaves. The meanings associated with the deer combine both soft, gentle qualities with strength and determination:

- Gentleness
- Ability to move through life and obstacles with grace
- Being in touch with inner child, innocence
- Being sensitive and intuitive
- Vigilance, ability to change directions quickly
- Magical ability to regenerate, being in touch with life's mysteries



The deer spirit animal will remind us to be gentle with oneself and with our customer. They represent instinctual energy, independence, and regeneration, which stems from their antlers being shed and re-grow each year and with this spirit, we at Shanti Overseas, would penetrate our products in the domestic market and build trust, hope and loyalty in our customers.



OUR VISION & MISSION

Vision

To be a globally recognized Company dealing in organic & natural products with a clear focus on quality and innovation.

Mission

To become one of the leading Agri Exporters & a 1000 cr. Company by the year 2025 & increase our customer base worldwide.





MANAGEMENT TEAM



Mr. Mukesh Kacholia
Chairman & Managing Director

- Has degree of Master of Commerce from Devi Ahilya University, Indore
- 36 years of experience in Agri Commodities Business
- Currently supervises and controls overall administration and finance



Mr. Baruneswar Sanyal
General Manager

- Qualified as diploma in Mechanical Engineering in 1984
- Over 27 years of rich experience in edible oil manufacturing, organic soya mechanical Extract, etc.
- Responsible for operational & technical activity in manufacturing



Mr. Ayush Kacholia
Whole Time Director

- Bachelor of Commerce from Devi Ahilya University, Indore
- Joined family business in 2011 & has around 7 years of experience in this field, and possesses expertise in exports of commodities
- Responsible for overall production, sales, operations & marketing activities



Mrs. Karuna Kacholia
Chief Financial Officer

- Qualified Chartered Accountant from Institute of Chartered Accountants of India
- Looks after finance, accounts and taxation of Company since 2011
- Took over as CFO in May 01, 2017



Mr. Rohan Kacholia
Whole Time Director

- Joined Company as Director in 2013
- Possesses degree of Bachelor of Engineering (IT) from University of Technology of Madhya Pradesh in 2012
- Completed Master of Science (International Business) from University of Leeds, West Yorkshire, England in 2013
- Responsible for trading and marketing activities



Mrs. Ramita Otwani
Company Secretary & Compliance Officer

- Qualified Company Secretary from Institute of Company Secretaries of India
- 4 years of experience in field of secretarial matters
- Looks after overall corporate governance and secretarial matters of Company

NOTICE OF THE 7TH ANNUAL GENERAL MEETING

NOTICE is hereby given that 7th Annual General Meeting of the Members of the Company **SHANTI OVERSEAS (INDIA) LIMITED** (Formerly known as Shanti Overseas (India) Pvt. Ltd.) will be held on Saturday, the 29th day of September, 2018 at 11.00 a.m. at the Factory of the Company situated at Survey No. 1035 to 1071 / 6, Gram Dhannad Tehsil Depalpur, Rau-Pithampur Road, Opp. Garg Fuel Dist. Indore 453001 (M.P.) to transact the following business :

ORDINARY BUSINESS:-

- To receive, consider and adopt the Audited Financial Statements of the Company on Standalone and Consolidated basis as on 31st March, 2018 and Statement of Profit and Loss Account together with the notes & schedules forming part thereof and Cash Flow Statement for the financial year ended on that date, and the Reports of the Board of Directors ("The Board") and Auditors thereon.
- To declare a dividend of Re. 0.50/- per Equity Share (5%) of the face value of ₹ 10/- each for the financial year ended on 31st March, 2018.
- To elect a Director in place of Mr. Rohan Kacholia (DIN: 03623354), who retires by rotation and being eligible, offers himself for re-appointment.
- To ratify Appointment of M/s. Muchhal & Gupta, Chartered Accountants, (FRN 004423C) Indore to act as Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting the Company on such remuneration as may be mutually agreed between the Board of Directors and the Statutory Auditor of the Company.

By the order of the board

FOR AND ON BEHALF OF
SHANTI OVERSEAS (INDIA) LIMITED

RAMITA OTWANI
COMPANY SECRETARY & COMPLIANCE OFFICER
ACS : 28101

Date: 04/09/2018

Place: Indore

- PURSUANT TO SECTION 105 OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE 7th ANNUAL GENERAL MEETING AND IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIM/HER AND THE PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY.** A person can act as a proxy on behalf of maximum of 50 shareholders and holding in aggregate not more than 10% of total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other Shareholder.
- Relevant details as stipulated under Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standards on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment/re-appointment as Director under Item No. 3, is as under :

| | |
|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Name of the Director | Rohan Kacholia DIN:03623354 |
| Date of Birth | 09/01/1991 |
| Date of Appointment | 25/10/2013 |
| Qualification | Master of Science (International Business) from University of Leeds, Bachelor of Engineering (IT) |
| Experience | 5 years of Production and Marketing of Commodities |
| No. of Shares held in the Company as on 31 st March, 2018 | 10,80,000 Equity Shares |
| Relationship with other Directors, Manager and other | Mr. Mukesh Kacholia - Father Mr. Ayush Kacholia - Brother Mrs. Sangeeta Kacholia - Mother Mrs. Namrata Kacholia - Spouse |
| Number of Meetings of the Board attended during the year | 15 |
| Directorship in other Companies | Yes, In 2 Companies |
| Chairman/Members of the Committees of Board of other Companies | No |

3. Every Shareholder entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning twenty- four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged , at any time during the business hours of the Company, provided not less than three day’s notice in writing of the intention so to inspect is given to the Company.
4. A proxy form is enclosed herewith. In case a Shareholder wants to appoint a proxy, a duly completed and stamped proxy form must reach the registered office of the Company not later than 48 hours before the time of the aforesaid meeting.
5. Corporate Shareholders intending to send their authorized representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the 7th Annual General Meeting
6. Shareholders who have not registered their email addresses so far are requested to register their email address in respect of their electronic holding with the Depository through their concerned Depository Participants and Shareholders are further requested to register their email addresses with the Share Transfer and Registrar Agent of Company i.e. Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai -400 083, Maharashtra.
7. Shareholders/Proxies attending the meeting are requested to bring the duly completed attendance slip (which has been enclosed herewith) to the 7th Annual General Meeting.
8. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours.
9. Electronic copy of the notice of the Annual General Meeting along with Annual Report inter-alia, including Polling Paper, Proxy Form and Attendance Slip is being sent to all the Shareholders whose name appears in the prelist furnished by NSDL and CDSL as Beneficial Owner as on 31st August, 2018 at the email ids registered with the Company /RTA/DP for communication purpose. For those Shareholders whose name stand registered in the Register of Members as on 31st August, 2018 and who have not registered their email address, physical copies of the Notice of the Annual General Meeting along with Annual Report inter-alia, including Polling Paper, Proxy Form and Attendance Slip is being sent to them in the permitted mode.
10. Shareholders are also informed that voting shall be by Polling Paper only. The Company will make arrangements of polling papers in this regard at the Meeting Venue.
11. Subject to the provisions of the Act, dividend as recommended by the Board, if declared at the Meeting, will be paid within a period of thirty days from the date of declaration, to those members whose name appear on the Register of Members as on 22nd September, 2018 i.e. the cut off date for the members who shall be eligible for dividend.
12. Members are requested to direct change of address notifications and updates of bank account details to their respective Depository Participant.
13. Members are requested to address all correspondence, including on dividends, to the Registrar and Share Transfer Agents, Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai-400 083, Maharashtra.
14. The Company has set Wednesday, 22nd September, 2018 as the “cut-off Date” for taking record of the Shareholders of the Company who will be eligible for casting their vote on the resolution to be passed in the ensuing 7th Annual General Meeting, by means of Voting by Physical Mode through polling papers.
15. The Board of Directors of the Company has appointed M/s. Archana Maheshwari & Co., Practicing Company Secretaries, Indore as the Scrutinizer, for conducting the Poll Paper Voting process for the 7th Annual General Meeting in a fair and transparent manner.
16. The Resolution will be taken as passed effectively on the date of announcement of the result by the Chairman of the Company, if the result of the Paper Poll Votes indicates that the requisite majority of the Shareholders had assented to the Resolution.
17. The Scrutinizer shall, immediately after the conclusion of voting at the 7th Annual General Meeting, first count the votes cast at the meeting, within a period not exceeding 48 hours from the conclusion of Annual General Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of the voting forthwith. After declaration, the result of the Paper Poll Votes will also be posted on the Company’s website www.shantioverseas.com beside communicating the same to CDSL and Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent on the said date and also to National Stock Exchange of India Limited, Emerge Platform where the shares of the Company are listed.
18. Shareholders may note that the Notice of this meeting has been hosted under the Investor’s Tab of Company’s Website www.shantioverseas.com.
19. In case of joint-holding, the Voting Poll Paper Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Shareholder and in his/her absence, by the next named Shareholder.
20. Unsigned or incomplete and improperly or incorrectly ticked Voting Poll Papers shall be rejected.
21. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members are therefore requested to submit their PAN to their Depository Participant(s).
22. The route map showing directions to reach the venue of the 7th Annual General Meeting annexed.

BOARDS' REPORT

To,
The Members,
Shanti Overseas (India) Limited

Dear Members,

The Directors take pleasure in presenting the 7th Annual Report on the Business and Operations of the Company along with the Audited Financial Statement of Accounts for the Financial Year ended on 31st March, 2018.

1. FINANCIAL RESULT

The financial performance of the Company for the Financial Year ended on 31st March, 2018 and for the previous Financial Year ended on 31st March, 2017 is given below:

| Particulars | 2017-2018 | 2016-2017 |
|-----------------------------------------------------------|-----------------------|-----------------------|
| Revenue from operations | 1,34,30,83,341 | 1,09,90,46,946 |
| Miscellaneous income | 24,93,495 | 83,41,876 |
| Total Revenue | 1,34,55,76,836 | 1,10,73,88,822 |
| Total Expenses | 1,27,16,39,885 | 1,05,07,53,424 |
| Profit Before Exceptional and Extraordinary items and Tax | 7,39,36,952 | 5,66,35,399 |
| Exceptional Items | - | - |
| Profit Before Extraordinary Items | 7,39,36,952 | 5,66,35,399 |
| Tax Expense: Current Tax | 2,10,19,691 | 1,82,24,402 |
| Deferred Tax | 40,12,381 | 5,39,448 |
| Profit for the period | 4,89,04,880 | 3,78,71,548 |
| Earning per Share (EPS) | | |
| Basic | 7.31 | 7.01 |
| Diluted | 7.31 | 7.01 |

2. OPERATIONS

The Company continues to see marginal growth in its overall performance in the financial year 2017-18 driven by the performance of the segment in which the Company operates. The total revenue from operations of the Company increased to ₹ 1,34,30,83,341/- from ₹ 1,09,90,46,946/- in the previous year at a rate of 22.20%. The profit before tax amounted to ₹ 7,39,36,952/- as against ₹ 5,66,35,399/- in the previous year. The net profit after tax was increased to ₹ 4,89,04,880/- as against ₹ 3,78,71,548/- in the previous year.

3. THE STATE OF COMPANY'S AFFAIR

During the year under review, the Company has put all its efforts in serving required products to all its customers on time. The turnover of the Company during the reporting period amounted to ₹ 1,34,30,83,341/-. The directors are thankful to all its suppliers for on time delivery of the products. The effort of our suppliers is the backbone of our Company.

The Company has tried and will keep the efforts on to associate as many customers as possible.

With the Company having its equity shares listed on Emerge Platform of National Stock Exchange of India Limited since 3rd August, 2017, the Directors are glad to inform that the stock price performance of the Company has been good throughout the year. The Directors are grateful for the absolute support they have received from the shareholders of the Company.

With this information, the Directors assure the stakeholders of the Company to continue their efforts and enhance the overall performance of the Company in the coming Financial years. The Directors express their gratitude towards the stakeholders for all the support the Company has received from them and hope that the Company continues to receive the same support in the coming future.

4. CHANGE IN NATURE OF BUSINESS, IF ANY

There were no changes in the nature of business of the Company during the year under review. The Company is engaged in Trading and Manufacturing Activities.

5. DIVIDEND

Considering the Company's performance the Board of Directors has recommended a dividend of ₹ 0.50 per equity share (5%) of the face value of ₹ 10/- each for the financial year ended on 31st March, 2018 amounting to ₹ 37,02,000/-. The Dividend payout is subject to approval of shareholders at the ensuing 7th Annual General Meeting.

6. RESERVES

The Company has a Closing Balance of ₹ 16,09,03,693 (Rupees Sixteen Crore Nine Lakh Three Thousand Six Hundred Ninety Three) as Reserves and Surplus as on 31.03.2018

The Closing Balance of Reserves and Surplus is bifurcated as follows:

| Sr. No. | Particulars | Amount |
|---------|--------------------------------------|---------------------|
| 1. | Balance at the beginning of the year | 4,98,38,813 |
| 2. | Bonus issue | (1,80,00,000) |
| 3. | Current Year's Profit | 4,89,04,880 |
| 4. | Amount of Securities Premium | 8,01,60,000 |
| | Total | 16,09,03,693 |

7. ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with rule 12 of the Companies (Management and Administration) Rules, 2014 in Form No. MGT-9 is enclosed herewith as **Annexure-1**.

8. BOARD MEETINGS AND ATTENDANCE

The Directors of the Company met at regular intervals with the gap between two meetings not exceeding one hundred and twenty days to take view of the Company's policies and strategies apart from board matters. The Notices of the Board Meetings are given well in advance to all the Directors of the Company. Additional meetings were held depending upon the requirements of the Company.

During the year under review, the Board of Directors met 16 (sixteen) times and the Board Meetings were held as on the following dates:

| Sr. No. | Date of Board Meetings |
|---------|---------------------------------|
| 1 | 01 st April, 2017 |
| 2 | 12 th April, 2017 |
| 3 | 20 th April, 2017 |
| 4 | 01 st May, 2017 |
| 5 | 05 th May, 2017 |
| 6 | 10 th May, 2017 |
| 7 | 22 nd May, 2017 |
| 8 | 16 th June, 2017 |
| 9 | 20 th June, 2017 |
| 10 | 01 st July, 2017 |
| 11 | 13 th July, 2017 |
| 12 | 19 th July, 2017 |
| 13 | 01 st August, 2017 |
| 14 | 06 th November, 2017 |
| 15 | 07 th February, 2018 |
| 16 | 24 th March, 2018 |

Attendance of the Directors

| Sr. No. | Name of the Director | No. of Board Meeting | |
|---------|-------------------------------|----------------------|----------|
| | | Held | Attended |
| 1 | Mr. Mukesh Kacholia | 16 | 16 |
| 2 | Mr. Ayush Kacholia | 16 | 16 |
| 3 | Mr. Rohan Kacholia | 16 | 15 |
| 4 | Mr. Rajendra Gordhandas Nawal | 10 | 10 |
| 5 | Mr. Vijay Nichani | 10 | 10 |
| 6 | Mrs. Sangeeta Kacholia | 10 | 09 |

9. SEPERATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code of Independent Directors under the Companies Act, 2013, separate meeting of the Independent Director of the Company was held on 6th November, 2017 to review the performance of Non- Independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

10. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provision of Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, to the best of their knowledge and belief the Board of Directors hereby submit that:

- i. In the preparation of the annual accounts for financial year ended on 31st March, 2018, the applicable Accounting Standards had been followed and there are no material departure from the same;
- 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 at the end of financial year and of the Profit of the Company for the year ended on 31st March, 2018;
- iii. 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;
- iv. The Directors had prepared the annual accounts on a going concern basis;
- v. The Directors had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively and
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. COMMENT ON AUDITORS' REPORT

There were no qualifications, reservations, adverse remarks or disclaimer made by the Auditors in their report for the financial year ended 31st March, 2018.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY COMPANY UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The details of loans, investment, guarantees and securities covered under the provisions of Section 186 of Companies Act, 2013 are provided in the Financial Statement.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The contract/arrangements entered into with the related parties for the year under review were in ordinary course of business and on arm's length basis and there are no material transaction to be reported under Section 188 (1) of the Companies, Act, 2013, hence disclosure in Form AOC-2 is not required.

During the year the Company has not entered into any materially significant Related Party Transactions which may have potential conflict with the interest of the Company at large. Suitable disclosures as required are provided in AS-18 which is forming the part of the notes to financial statement.

14. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has its Internal Financial Control Systems commensurate with operations of the Company. The Management regularly monitors the safeguarding of its assets, prevention and detection of frauds and errors, and the accuracy and completeness of the accounting records including timely preparation of reliable financial information.

The Head of Internal Audit together with external audit consults and reviews the effectiveness and efficiency of this systems and procedures to ensure that all assets are protected against loss and that the financial and operational information is accurate and complete in all respects.

15. INTERNAL AUDITOR

The Board appointed M/s. S. Ramanand Aiyar & Co. (Firm Registration Number : 000990N) as Internal Auditor to conduct Internal Audit for the Financial Year 2017-18 in the Meeting held on 24th March , 2018 at remuneration as decided by the Board of Directors of the Company.

16. MATERIAL CHANGES & COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT

There were no material change and commitments, affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and up till the date of Report.

17. INITIAL PUBLIC OFFER

During the year under review, the Company came out with an Initial Public Offering of 20,04,000 Equity Shares at face value of ₹ 10/- and a premium of ₹ 40/-per Share.

Your Directors are pleased to inform that Company had successfully completed its Initial Public Offer. The issue was over subscribed by 14.21 times.

The Company received trading approval for total 20,04,000 Equity Shares on **SME EMERGE Platform** of **NSE Limited** with effect from 3rd August, 2017 having the symbol “**SHANTI**”. The Company confirms that the annual listing fees to NSE Limited for the Financial Year 2018-19 has been paid.

Your Directors place their sincere thanks to all the investors and the NSE, SEBI, Merchant Bankers and all the Agencies for their guidance and support.

As per Regulation 32 of SEBI (LODR), 2015, we hereby confirm that public issue proceeds have been fully utilized and there is no deviation/variation in actual utilization of public issue proceeds from the object as stated in the prospectus dated 13th July, 2017.

18. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, the provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid in last seven years so the Company was not required to transfer any amount to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to the provisions of Section 125(e) of the Companies Act, 2013 as there is no amount unclaimed for a period of 7 years from the date it became due for repayment.

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

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are as stated below:

A. Conservation of Energy -

1. The steps taken or impact on conservation of energy:-

The Company applied strict control system to monitor day to day consumption. The Company ensures optimal use of energy with minimum extent of wastage as far as possible. The day to day consumption is monitored in an effort to save energy.

2. The steps taken by the company for utilizing alternate source of energy:-

The Company has not taken any step for utilizing alternate source of energy.

3. The capital investment on energy conservation equipment:-

The Company has not made any capital investment on energy conservation equipment.

B. Technology Absorption-

The Company has no activities relating to technology absorption. Hence nothing is to be reported here.

C. Foreign Exchange Earning & Outgo

| Particulars | 2017-2018 (Amount in ₹) | 2016-2017 (Amount in ₹) |
|------------------------------------------------------|----------------------------|----------------------------|
| Foreign exchange earnings in terms of actual inflows | 46,27,68,953 | 87,15,16,166 |
| Foreign exchange outgo in terms of actual outflows | 11,12,91,283 | 90,18,158 |

*FOB Value of Exports & CIF Value of Imports.

20. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has in place, a mechanism to identify, assess, monitor, and mitigate various risks towards the key objectives of the Company. Major risk identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

(a) Independent Directors

The Company was required to appoint Independent Directors in accordance with the provisions of the Companies Act, 2013 in the Financial Year 2017-18 pursuant to its Listing on NSE.

Mr. Rajendra Gordhandas Nawal (DIN: 00410090) and Mr. Vijay Nichani (DIN 03136935) were appointed as Independent Directors on the board. Their Appointments were approved by the Members of the Company in their Sixth Annual General Meeting held on 18th May, 2017 as Independent Directors. Both the Independent Directors have been appointed to hold office for 5 (five) consecutive years w.e.f. 18th May, 2017 to 17th May, 2022.

As per Companies Act, 2013 the Independent Directors are not liable to retire by rotation.

(b) Non- Executive Directors

The Company was required to appoint Women Director in accordance with the provisions of the Companies Act, 2013 in the Financial Year 2017-18 pursuant to its Listing on NSE.

Mrs. Sangeeta Kacholia (DIN: 07817342) was appointed as Non –Executive Director and the appointment was approved by the Members of the company in their Sixth Annual General Meeting held on 18th May, 2017 as a Non- Executive Director.

(c) Change in Designation of Directors

Pursuant to the listing of the Company on NSE, it was necessary to have such composition of Board of Directors as required under Companies Act, 2013 and the Rules made thereunder. Therefore during the Financial Year 2017-18 the following changes in the designation of the Directors were effected:

Mr. Rohan Kacholia, Whole Time Director

The designation of Mr. Rohan Kacholia(DIN: 03623354) changed from Director to Whole Time Director in the Extraordinary General Meeting held on 25th April, 2017 for a period of 5 (five) years commencing from 25th April, 2017 to 24th April, 2022. Mr. Rohan Kacholia (DIN: 03623354) shall be liable to retire by rotation.

(d) Chief Financial Officer

During the year under review, Mrs. Karuna Kacholia was appointed as the Chief Financial Officer in the Board Meeting of the Company held on 1st May, 2017 pursuant to the provisions of Sections 203, 2(51) of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(e) Company Secretary

During the year under review, Mrs. Ramita Otvani was appointed as the Company Secretary in the Board Meeting of the Company held on 1st May, 2017 pursuant to the provisions of Sections 203, 2(51) of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Directors and Key Managerial Personnel of the Company are summarized below:

| Sr. No. | Name | Designation | DIN/PAN |
|---------|-------------------------------|-------------------------|------------|
| 1 | Mr. Mukesh Kacholia | Managing Director | 00376922 |
| 2 | Mr. Ayush Kacholia | Whole Time Director | 03096933 |
| 3 | Mr. Rohan Kacholia | Whole Time Director | 03623354 |
| 4 | Mrs. Sangeeta Kacholia | Non- Executive Director | 07817342 |
| 5 | Mr. Rajendra Gordhandas Nawal | Independent Director | 00410090 |
| 6 | Mr. Vijay Nichani | Independent Director | 03136935 |
| 7 | Mrs. Karuna Kacholia | Chief Financial Officer | ASXPA9008M |
| 8 | Mrs. Ramita Otwani | Company Secretary | ABAPO7882M |

22. DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors of the Company, Mr. Rajendra Gordhandas Nawal and Mr. Vijay Nichani have confirmed to the Board that they meet the criteria of Independence as specified under Section 149 (6) of the Companies Act, 2013 and qualify to be Independent Directors.

They have also confirmed that they meet the requirements of Independent Directors as mentioned under regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The confirmation were noted by the Board.

23. FORMAL ANNUAL EVALUATION PROCESS BY BOARD

Pursuant to the provisions of Companies Act, 2013 and rules made there under, the Board has carried the evaluation of its own performance, performance of individual Directors, Board Committees including the Chairman of the Board on the basis of attendance, contribution and various criteria as recommended by the Nomination and Remuneration Committee of the Company. The evaluation of the working of the Board, its Committees, experience and expertise, performance of specific duties and obligations etc. were carried out. The directors expressed their satisfaction with the evaluation process and outcome.

The performance of each of the Non- Independent Directors (including the Chairman) was also evaluated by the Independent Directors at the separate meeting held of Independent Directors of the Company .

24. NON APPLICABILITY OF THE INDIAN ACCOUNTING STANDARDS

As per proviso to regulation Rule 4(1) of the Companies (Indian Accounting Standards) Rules, 2015 notified vide Notification No.G.S.R.111(E) on 16th Feb., 2015, Companies whose shares are listed on SME exchange as referred to in Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, are exempted from the compulsory requirement of adoption of IND-AS w.e.f. 1st April 2017. As your Company is also listed on SME (EMERGE) Platform of NSE Limited, is covered under the exempted category and is not required to comply with IND-AS for preparation of Financial Statements beginning with period on and after 1st April 2017.

25. CORPORATE GOVERNANCE

Since the Company's securities are listed on Emerge SME platform of NSE , by virtue of Regulation 15 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 the Compliance with the Corporate Governance provisions as specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D, and E of Schedule V are not applicable to the Company. Hence Corporate Governance does not form part of this Board Report.

26. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

During the Financial Year 2017-18, the Company does not have any Associate Company but it has two Subsidiary Companies pursuant to section 2(47) (i) of Companies Act, 2013 as follows:

- (i) Shaan Agro Oils & Extractions Private Limited
- (ii) Biograin Protinex Private Limited

Both the Companies are 100% wholly owned subsidiaries. Therefore, the disclosure in the Form AOC-1 is attached as **Annexure-2**.

27. DEPOSITS

As per Section 73 of the Companies Act, 2013 the Company has neither accepted nor renewed any deposits during the financial year. Further the Company has not defaulted in repayment of deposits or payment of interest during the financial year.

Details of money accepted by the Directors of the Company :

Pursuant to the provisions of Rule 2(1)(c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014 the Directors of the Company have not accepted any deposits during the Financial Year.

28. STATUTORY AUDITOR

Appointment of M/s. Muchhal & Gupta, Chartered Accountants, (FRN No. 004423C) who are the Statutory Auditor of the Company, has been ratified in this Annual General Meeting for their appointment as Statutory Auditors of the Company. A certificate has been received from the Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013.

29. SECRETARIAL AUDITOR

The Board appointed M/s Archana Maheshwari & Co., Practicing Company Secretaries, to conduct Secretarial Audit for the Financial Year 2017-18. The Secretarial Audit Report for the Financial Year ended 31st March, 2018 is annexed herewith marked as ANNEXURE - 3 to this report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

30. DISCLOSURE**A. Composition of Audit Committee**

The Board of Directors in its meeting held on 22nd May, 2017 constituted an Audit Committee in compliance with the provisions of Section 177 of Companies Act, 2013.

During the year under review, meeting of Audit Committee was held on 6th November, 2017, 7th February, 2018 and 24th March, 2018 and the attendance records of the members of the Committee are as follows:

| Name | Status | No. of Committee Meeting entitled | No. of Committee Meeting attended |
|-------------------------------------------------------|----------|-----------------------------------|-----------------------------------|
| Mr. Vijay Nichani Independent Director | Chairman | 3 | 3 |
| Mr. Rajendra Gordhandas Nawal Independent Director | Member | 3 | 3 |
| Mr. Mukesh Kacholia Managing Director | Member | 3 | 3 |

During the year all the recommendations made by the Audit Committee were accepted by the Board.

B. Vigil Mechanism

Through vigil mechanism Company seeks to provide a mechanism for the Directors and employees to disclose their concerns and grievances on unethical behavior and improper/illegal practices and wrongful conducts taking place in the Company for appropriate action. Through this mechanism, the Company provides necessary safeguards to all such persons for making sheltered disclosures in good faith.

The Vigil mechanism team was framed by the Board in its Board Meeting held on 22nd May, 2017 and Mr. Vijay Nichani, Independent Director was appointed as the vigilance officer.

During the year under review, no protected disclosure concerning any reportable matter in accordance with the Vigil Mechanism was received by the Company.

The Vigil Mechanism may be accessed on the Company's website at the link : www.shantioverseas.com and the same has also been disclosed under ANNEXURE 4.

C. Composition of Nomination and Remuneration Committee

The Board of Directors in its meeting held on 22nd May, 2017 constituted a Nomination and Remuneration Committee in compliance with the provisions of Section 178 of Companies Act, 2013.

During the year under review, meeting of Nomination and Remuneration Committee was held on 25th April, 2017 and 18th May, 2017 and the attendance records of the members of the Committee are as follows:

| Name | Status | No. of Committee Meeting entitled | No. of Committee Meeting attended |
|--------------------------------------------------------|----------|-----------------------------------|-----------------------------------|
| Mr. Vijay Nichani Independent Director | Chairman | 2 | 2 |
| Mr. Rajendra Gordhan Das Nawal Independent Director | Member | 2 | 2 |
| Mrs. Sangeeta Kacholia Non-Executive Director | Member | 2 | 2 |

The policy of Nomination and Remuneration Committee has been placed on the Website of the Company at www.shantioverseas.com and the salient features of the same have been disclosed under ANNEXURE 5.

D. Composition of Stakeholders' Relationship Committee

The Board of Directors in its meeting held on 22nd May, 2017 constituted Stakeholder's Relationship Committee in compliance with the provisions of Section 178 of Companies Act, 2013.

During the year under review, meeting of Stakeholders Relationship Committee was held on 6th November, 2017 and 7th February, 2018, and the attendance records of the members of the Committee are as follows:

| Name | Status | No. of the Committee Meeting entitled | No. of the Committee Meeting attended |
|-------------------------------------------------------|----------|---------------------------------------|---------------------------------------|
| Mr. Vijay Nichani Independent Director | Chairman | 2 | 2 |
| Mr. Rajendra Gordhandas Nawal Independent Director | Member | 2 | 2 |
| Mr. Ayush Kacholia Whole Time Director | Member | 2 | 2 |

31. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant material orders passed by the Regulators/Courts/Tribunals impacting the going concern status of the Company and its future operations.

32. SHARE CAPITAL

A. Provisions of money by company for purchase of its own shares by employees or by trustees for the benefit of employees.

The Company has not made any provisions of money for purchase of its own shares by employees or by trustees for the benefit of employees as per Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

B. Issue of Sweat Equity Shares

The Company has not issued any sweat equity shares during the financial year in accordance with the provisions of Section 54 of Companies Act, 2013 read with Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014.

C. Issue of Equity Shares with Differential Rights:

The Company has not issued any equity shares with differential voting rights during the financial year as per Rule 4(4) of Companies (Share Capital and Debentures) Rules, 2014.

D. Issue of Employee Stock Options:

The Company has not issued any employee stock option during the financial year as per Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014.

E. Initial Public Offer:

During the year under review, the Company came out with an Initial Public Offering of 20,04,000 Equity Shares at face value of ₹ 10/- and a Premium of ₹ 40/- per share.

The Company received the trading approval for total 20,04,000 Equity Shares on EMERGE SME Platform of NSE Limited with effect 3rd August, 2017 having the symbol "SHANTI".

33. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

There Company has always been committed to provide a safe and conducive work environment to its employees. Your Directors further state that during the year under review there were no cases filed pursuant to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

34. PARTICULARS OF EMPLOYEES

The Company has no employee, who is in receipt of remuneration of ₹ 8,50,000/- per month and hence the Company is not required to give information under Sub Rule 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, the following details form part of ANNEXURE-6 to the Board Report:

- Pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Statement containing the names and other particulars of top ten employees in terms of Remuneration drawn by them in ANNEXURE-6.
- Disclosure under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ANNEXURE-6.

35. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report as required under Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this report, and provides the Company's Current working and future outlook of as per ANNEXURE-7.

36. PREVENTION OF INSIDER TRADING

In View of the SEBI (Prohibition of Insider Trading) Regulation, 2015 the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading & securities by the Directors and Designated Employees of the Company.

The Code requires Trading Plan, pre-clearance for dealing in the company's shares and prohibits the purchase or sale of Company's shares by the Directors and the Designated Employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

37. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the Bankers, Regulatory Bodies, Stakeholders including Financial Institutions, Suppliers, Customers and Other business associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors take this opportunity to recognize and place on record their gratitude and appreciation for the commitment displayed by all executive officers and staff at all levels of the Company. We look forward for the continued support of every stakeholder in the future.

**BY THE ORDER OF THE BOARD
FOR SHANTI OVERSEAS (INDIA) LIMITED**

| | |
|------------------------|-----------------------|
| MUKESH KACHOLIA | AYUSH KACHOLIA |
| MANAGING DIRECTOR | WHOLE TIME DIRECTOR |
| DIN NO.:- 003765922 | DIN NO.:03096933 |

PLACE : Indore

DATE : 04/09/2018

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2018

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS :

1. CIN L51211MP2011PLC025807
2. Registration Date 18/04/2011
3. Name of the Company SHANTI OVERSEAS (INDIA) LIMITED
(Formerly known as Shanti Overseas (India) Private Limited)
4. Category /Sub –category of the Company Public Listed Company Limited by Shares
5. Address of the Registered office & Contact Details **Address of the Registered Office:**
215-216, Vikram Tower, 1st Floor, Indore (M.P.) 452001 IN
Contact Details :
Ph. No. 0731-4250595
Email id: mail@shantioverseas.com
Website : www.shantioverseas.com
6. Whether Listed Company Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any M/s. Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083

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 the Main Products/Service | NIC Code of the Product/Service | % to Total Turnover of the Company |
|---------|------------------------------------------------------|---------------------------------|------------------------------------|
| 1 | Manufacture of Grains, Pulses & other Agri Commodity | 1061 | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr.No. | Name and Address of the Company | CIN | Holding/Subsidiary/ Associate | % of Shares Held | Applicable Section |
|--------|---------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------|------------------|--------------------|
| 1. | SHAAN AGRO OILS & EXTRACTIONS PRIVATE LIMITED 215-216 VIKRAM TOWER 1ST FLOOR INDORE Indore MP 452001 IN | U74999MP2017PTC042643 | Wholly Owned Subsidiary | 100 | 2(87) i & ii |
| 2. | BIOGRAIN PROTINEX PRIVATE LIMITED 215-216, VIKRAM TOWER 1ST FLOOR INDORE Indore MP 452001 IN | U11100MP2016PTC040848 | Wholly Owned Subsidiary | 100 | 2(87) i & ii |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i. Category -Wise Shareholding

| Category of Shareholders | No . of Shares Held at the Beginning of the year | | | | No. of Shares at the End of the year | | | | % Change during the year |
|----------------------------------------------------------------------|--------------------------------------------------|-----------|-----------|------|--------------------------------------|----------|-----------|----------|--------------------------|
| | Demat | Physical | Total | % | Demat | Physical | Total | % | |
| (A) Promoters | | | | | | | | | |
| 1.Indian | | | | | | | | | |
| (a). Individual/HUF | 0 | 36,00,000 | 36,00,000 | 100% | 54,00,000 | 0 | 54,00,000 | 72.93% | (27.07%) |
| (b) Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) State Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) Body Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) Bnaks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f) Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total(A) (1):- | 0 | 36,00,000 | 36,00,000 | 100% | 54,00,000 | 0 | 54,00,000 | 72.93% | (27.07%) |
| (2) Foreign | | | | | | | | | |
| (a) NRIs/ Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) Others-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) Body 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 |
| Sub Total(A) (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Shareholding of Promoter=(A)(1)+(A)(2) | 0 | 36,00,000 | 36,00,000 | 100% | 54,00,000 | 0 | 54,00,000 | 72.93% | (27.07%) |
| (B) Public Shareholding | | | | | | | | | |
| (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. | 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) FIIs | 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 |
| Sub Total(B) (1):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Non Institutions | | | | | | | | | |
| (a) Body Corp. | | | | | | | | | |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) Individuals | | | | | | | | | |
| i) Individual Shrehoders Holding Nominal Share Capital upto ₹ 2 Lakh | 0 | 0 | 0 | 0 | 9,03,000 | 0 | 9,03,000 | 12.1961% | 12.1961% |

| | | | | | | | | | |
|---------------------------------------------------------------------------------|-----------|---|-----------|------|-----------|---|-----------|----------|----------|
| ii) Individual Shareholders Holding Nominal Share Capital in excess of ₹ 2 Lakh | 0 | 0 | 0 | 0 | 8,40,000 | 0 | 8,40,000 | 11.3452% | 11.3452% |
| a. Naresh Kumar Bhargava | 0 | 0 | 0 | 0 | 1,17,000 | 0 | 1,17,000 | 1.5802% | 1.5802% |
| b. Nishit Prafu Gogri | 0 | 0 | 0 | 0 | 75,000 | 0 | 75,000 | 1.013% | 1.013% |
| c. Shyam Raj Gulshani | 0 | 0 | 0 | 0 | 75,000 | 0 | 75,000 | 1.013% | 1.013% |
| d. Vinod Lodha | 0 | 0 | 0 | 0 | 1,08,000 | 0 | 1,08,000 | 1.4587% | 1.4587% |
| (c) Others (specify) | 0 | 0 | 0 | 0 | 2,61,000 | 0 | 2,61,000 | 3.5251% | 3.5251% |
| HUF | 0 | 0 | 0 | 0 | 1,35,000 | 0 | 1,35,000 | 9.8233% | 9.8233% |
| Clearing Member | 0 | 0 | 0 | 0 | 78,000 | 0 | 78,000 | 1.0535% | 1.0535% |
| Body Corp. | 0 | 0 | 0 | 0 | 45,000 | 0 | 45,000 | 0.6078% | 0.6078% |
| NRI(Repat) | 0 | 0 | 0 | 0 | 3,000 | 0 | 3,000 | 0.0405% | 0.0405% |
| Sub Total(B)(2) | 0 | 0 | 0 | 0 | 20,04,000 | 0 | 20,04,000 | 27.07% | 27.07% |
| Total Public Shareholding(B)= (B) (1)+ (B) (2) | 0 | 0 | 0 | 0 | 20,04,000 | 0 | 20,04,000 | 27.07% | 27.07% |
| (C). Shares Held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 36,00,000 | 0 | 36,00,000 | 100% | 74,04,000 | 0 | 74,04,000 | 100% | 0 |

ii. Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the Beginning of the year | | | Shareholding at the end of the year | | | % Change in Share holding during the year |
|---------|-----------------------------|-------------------------------------------|-------------------------------|--------------------------------------------------|-------------------------------------|-------------------------------|--------------------------------------------------|-------------------------------------------|
| | | No. of Shares | % Total Shares of the Company | % of Shares Pledged / Encumbered to Total Shares | No. of Shares | % Total Shares of the Company | % of Shares Pledged / Encumbered to Total Shares | |
| 1. | Mr. Mukesh Kacholia | 1,80,000 | 5% | 0.0% | 15,64,250 | 21% | 0.0% | 16% |
| 2. | Mr. Ayush Kacholia | 7,20,000 | 20% | 0.0% | 10,80,000 | 15% | 0.0% | (5%) |
| 3. | Mr. Rohan Kacholia | 7,20,000 | 20% | 0.0% | 10,80,000 | 15% | 0.0% | (5%) |
| 4. | Mrs. Karuna Kacholia | 3,60,000 | 10% | 0.0% | 5,40,000 | 7% | 0.0% | (3%) |
| 5. | Mrs. Sangeeta Devi Kacholia | 12,24,000 | 34% | 0.0% | 5,41,750 | 7% | 0.0% | (27%) |
| 6. | Mrs. Namrata Kacholia | 3,60,000 | 10% | 0.0% | 5,40,000 | 7% | 0.0% | (3%) |
| 7. | M/s. Mukesh Kacholia HUF | 36,000 | 1% | 0.0% | 54,000 | 0.93% | 0.0% | (0.07%) |
| | TOTAL | 36,00,000 | 100% | 0.0% | 54,00,000 | 72.93% | 0.0% | (27.07%) |

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

*There is change in Promoters Shareholding during the year under review as per table given below:

| Sr. No. | Shareholding at the beginning of the year | | | Change during the year | | Shareholding at the end of year No. of Shares | |
|---------|-------------------------------------------|------------------|----------------------------------|---------------------------------------------------------|------------------------------------------------------|--------------------------------------------------|----------------------------------|
| | Shareholder's Name | No. of Shares | % of Total Shares of the Company | Increase /Decrease during the year | Date | No. of Shares | % of Total Shares of the Company |
| 1. | Mr. Mukesh Kacholia | 1,80,000 | 5% | a) 90,000 b) 12,94,250 | 01/05/2017 05/05/2017 | 15,64,250 | 21% |
| 2. | Mr. Ayush Kacholia | 7,20,000 | 20% | 3,60,000 | 01/05/2017 | 10,80,000 | 15% |
| 3. | Mrs. Sangeeta Devi Kacholia | 12,24,000 | 34% | a) 6,12,000 b) (12,94,250) c) (1,750) d) 1,750 | 01/05/2017 05/05/2017 05/05/2017 01/07/2017 | 5,41,750 | 7% |
| 4. | Mrs. Karuna Kacholia | 3,60,000 | 10% | 1,80,000 | 01/05/2017 | 5,40,000 | 7% |
| 5. | Mr Rohan Kacholia | 7,20,000 | 20% | 3,60,000 | 01/05/2017 | 10,80,000 | 15% |
| 6. | Mrs. Namrata Kacholia | 3,60,000 | 10% | 1,80,000 | 01/05/2017 | 5,40,000 | 7% |
| 7. | M/s. Mukesh Kacholia HUF | 36,000 | 1% | 18,000 | 01/05/2017 | 54,000 | 0.93% |
| | TOTAL | 36,00,000 | 100% | 18,00,000 | | 54,00,000 | 72.93% |

iv. **Share Holding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

| Sr. No. | Shareholding at the beginning of the year - 2017 | | | Transaction during the year | | Cumulative Shareholding at the End of the year-2018 | |
|---------|--------------------------------------------------|-------------|----------------------------------|-----------------------------|---------------|-----------------------------------------------------|----------------------------------|
| | Name of the Shareholder | Shares held | % of Total Shares of the Company | Date of Transaction | No. of Shares | No. of Shares held | % Of Total Shares of the Company |
| 1. | Naresh Kumar Bhargava | - | - | - | - | 117000 | 1.58% |
| 2. | Vinod Lodha | - | - | - | - | 108000 | 1.45% |
| 3. | Nishit Praful Gogri | - | - | - | - | 75000 | 1.01% |
| 4. | Shyam Raj Gulshani | - | - | - | - | 75000 | 1.01% |
| 5. | Amit Neema | - | - | - | - | 69000 | 0.93% |
| 6. | Sanjay Garg | - | - | - | - | 48000 | 0.64% |
| 7. | Indu Jain | - | - | - | - | 45000 | 0.60% |
| 8. | Indo Thai Securities Limited | - | - | - | - | 45000 | 0.60% |
| 9. | Padma Nagraj Punmiya | - | - | - | - | 39000 | 0.52% |
| 10. | Rahul Pramod Menon | - | - | - | - | 36000 | 0.48% |
| | TOTAL | - | - | - | - | 6,57,000 | 8.82% |

v. Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Shareholding at the Beginning of the Year | | | Cumulative Shareholding during the Year | |
|-----------|-------------------------------------------|---------------|----------------------------------|-----------------------------------------|----------------------------------|
| | Shareholder's Name | No. of shares | % of total Shares of the Company | No. of shares | % of Total Shares of the Company |
| 1. | Mr. Mukesh Kacholia | | | | |
| | At the Beginning of the year | 1,80,000 | 5% | 15,64,250 | 21% |
| | At the End of the year | | | | |
| 2. | Mr. Ayush Kacholia | | | | |
| | At the Beginning of the year | 7,20,000 | 20% | 10,80,000 | 15% |
| | At the End of the year | | | | |
| 3. | Mr. Rohan Kacholia | | | | |
| | At the Beginning of the year | 7,20,000 | 20% | 10,80,000 | 15% |
| | At the End of the year | | | | |
| 4. | Mrs. Sangeeta Devi Kacholia | | | | |
| | At the Beginning of the year | 12,24,000 | 34% | 5,41,750 | 7% |
| | At the End of the year | | | | |
| 5. | Mrs. Karuna Kacholia | | | | |
| | At the Beginning of the year | 3,60,000 | 10% | 5,40,000 | 7% |
| | At the End of the year | | | | |
| 6. | Mrs. Ramita Otvani | | | | |
| | At the Beginning of the year | 0 | 0 | 0 | 0 |
| | At the End of the year | | | | |

V. INDEBTEDNESS:

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

| | Secured Loans Excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--------------------------------------------------|-------------------------------------|--------------------|----------|---------------------|
| Indebtedness at the Beginning of the Year | | | | |
| i) Principal Amount | 22,10,35,412 | 1,93,43,012 | - | 24,03,78,424 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 22,10,35,412 | 1,93,43,012 | - | 24,03,78,424 |
| Change in Indebtedness during the Financial Year | | | | |
| Addition | 18,21,33,978 | - | - | 18,21,33,978 |
| Reduction | - | (101,37,172) | - | (101,37,172) |
| Net Change | 18,21,33,978 | (101,37,172) | - | 17,19,96,806 |
| Indebtedness at the end of the Financial Year | | | | |
| i) Principal Amount | 40,31,69,390 | 92,05,840 | - | 41,23,75,230 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |

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 |
|---------|--------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------|
| | | Mr. Mukesh Kacholia Chairman and Managing Director | Mr. Ayush Kacholia Whole Time Director | Mr. Rohan Kacholia Whole Time Director | |
| 1. | Gross Salary(p.a.) | | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act , 1961 | ₹19,20,000/- | ₹19,20,000/- | ₹ 19,20,000/- | ₹ 57,60,000/- |
| | (b) Value of Perquisites u/s 17(2) of Income Tax Act,1961 | ₹ 28,80,000/- | ₹ 28,80,000/- | ₹ 28,80,000/- | ₹ 86,40,000/- |
| | (c) Profits in lieu of Salary under Section 17(3) Of Income Tax Act,1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission | | | | |
| | -as % of Profit: | | | | |
| | -others, specify: | - | - | - | - |
| 5. | Others, please specify | - | - | - | - |
| | TOTAL(A) | ₹ 48,00,000 | ₹ 48 ,00,000/- | ₹ 48,00,000/- | ₹ 1,44,00,000 /- |

B. Remuneration to Other Directors

| Sr. No. | Particulars of Remuneration | Name of Directors | | |
|---------|---------------------------------------------|----------------------------------|-------------------|----------------------|
| | | Mr. Rajendra Gordhandas Nawal | Mr. Vijay Nichani | Total Amount |
| 1. | Fee for Attending board /committee meetings | Rs. 16,000 | Rs. 16,000 | Rs. 32,000 |
| | commission | - | - | - |
| | Others, please specify | NA | NA | NA |
| | Total(1) | | | ₹ 32,000 |
| 2. | Other Non –Executive Directors | Mrs Sangeeta Kacholia | | |
| | Fee for Attending board /committee meetings | - | - | - |
| | commission | - | - | - |
| | Others, please specify | - | - | - |
| | Total(2) | - | - | - |
| | Total(B)=(1+2) | Rs. 16,000 | Rs.16,000 | ₹ 32,000 |
| | Total Managerial Remuneration(A+B) | | | ₹ 1,44,32,000 |

C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|--------------------------------------------------------------------------------------|--------------------------|---------------------|----------------------|----------------------|
| | | CEO | Company Secretary | CFO | TOTAL |
| 1. | Gross Salary | | | | |
| | (a) Salary as per Provisions contained in Section 17 (1) of the Income Tax Act, 1961 | NA | ₹ 2,32,100/- | ₹ 13,75,000/- | ₹ 16,07,100/- |
| | (b) Value of Perquisites u/s 17(2) Income Tax Act, 1961 | - | - | ₹ 18,742/- | ₹ 18,742/- |
| | (c) Profits in lieu of Salary u/s 17(3) Income Tax Act, 1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission | - | - | - | - |
| 5. | a. As % of Profit | - | - | - | - |
| | b. Others, Specify: | - | - | - | - |
| | TOTAL | - | ₹ 2,32,100/- | ₹ 13,93,742/- | ₹ 16,25,842/- |

VII. PENALTIES /PUNISHMENT / COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act, 2013 | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD/NCLT/ COURT] | Appeal made, if any (give details) |
|-------------------------------------|------------------------------------|-------------------|----------------------------------------------------------|----------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | No Penalties, Punishment, Compounding of Offences | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | No Penalties, Punishment, Compounding of Offences | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | No Penalties, Punishment, Compounding of Offences | | |
| Compounding | | | | | |

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

| S. no. | Particulars | Details |
|--------|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| 1 | Name of the subsidiary | M/s Biograin Protinex Private Limited |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | N.A |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A |
| 4 | Share capital | Rs. 1,00,000/- |
| 5 | Reserves & surplus | Nil |
| 6 | Total assets | ₹ 2,11,100/- |
| 7 | Total Liabilities | ₹ 2,11,100/- |
| 8 | Investments | Nil |
| 9 | Turnover | Nil |
| 10 | Profit / Loss before taxation | Nil |
| 11 | Provision for taxation | Nil |
| 12 | Profit / Loss after taxation | Nil |
| 13 | Proposed Dividend | - |
| 14 | % of shareholding | 100% |

| S. no. | Particulars | Details |
|--------|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 1 | Name of the subsidiary | M/s Shaan Agro Oils & Extractions Private Limited |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | N.A |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A |
| 4 | Share capital | Rs. 4,56,00,000/- |
| 5 | Reserves & surplus | Nil |
| 6 | Total assets | ₹ 13,09,68,344/- |
| 7 | Total Liabilities | ₹ 13,09,68,344/- |
| 8 | Investments | Nil |
| 9 | Turnover | Nil |
| 10 | Profit / Loss before taxation | Nil |
| 11 | Provision for taxation | Nil |
| 12 | Profit / Loss after taxation | Nil |
| 13 | Proposed Dividend | - |
| 14 | % of shareholding | 100% |

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| S. no. | Particulars | Details |
|--------|----------------------------------------------------------------------------|---------|
| 1 | Name of associates/Joint Ventures | |
| 2 | Latest audited Balance Sheet Date | |
| 3 | Shares of Associate/Joint Ventures held by the company on the year end | |
| | (i) No. of Shares | |
| | (ii) Amount of Investment in Associates/Joint Venture | |
| | (iii) Extend of Holding% | |
| 4 | Description of how there is significant influence | |
| 5 | Reason why the associate/joint venture is not consolidated | |
| 6 | Net worth attributable to shareholding as per latest audited Balance Sheet | |
| 7 | Profit/Loss for the year | |
| | (i) Considered in Consolidation | |
| | (ii) Not Considered in Consolidation | |

MUKESH KACHOLIA
MANAGING DIRECTOR
DIN NO.:-00376922

AYUSH KACHOLIA
WHOLE TIME DIRECTOR
DIN NO.:-03096933

AS PER OUR REPORT OF THE EVEN DATE
FOR MUCHHAL & GUPTA
CHARTERED ACCOUNTANTS

PLACE: INDORE
DATE: 04/09/2018

PRAKASH CHANDRA GUPTA
PARNER
M. NO. 073011
FRN: 004423C

FORM MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,
The Members
Shanti Overseas (India) Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHANTI OVERSEAS (INDIA) LIMITED** formerly known as Shanti Overseas (India) Pvt. Ltd. (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **SHANTI OVERSEAS (INDIA) LIMITED**, 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **SHANTI OVERSEAS (INDIA) LIMITED** ("The Company") for the financial ended on 31st March 2018 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) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
 - c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
 - e. 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;
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period)
 - g. The Securities and Exchange Board of India (Buyback of Securities) regulations, 1998; (Not applicable to the Company during the audit period)

- vi) Other laws applicable specifically to the Company namely:
- (a) Factories Act, 1960
 - (b) Industries (Development & Regulation) Act, 1951
 - (c) Labour laws and other incidental laws related to labour and employee appointed by the company either on it Payroll or on Contractual Basis as Related to Wages, Gratuity, Provident Fund, ESIC, Compensation etc.
 - (d) Acts Prescribed under prevention and control of pollution
 - (e) Acts prescribed under Environmental Protection
 - (f) Income Tax Act, 1961
 - (g) The Goods and Services Act, 2016
 - (h) The Food Safety Act, 1990

I report that, during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

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 board and general meetings.
- ii. The Listing Agreement entered into by the Company with National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

I further report that, based on information provided by the Company, its officers and authorised representatives during the conduct of the audit, and also on the review of quarterly compliance reports by the respective department heads/ Company Secretary/CEO taken on records by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like labour laws, competition law and environmental laws.

I further report that, the compliance by the Company of applicable financial laws, like direct and indirect laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The change took place in the composition of the Board of Directors during the period under review was carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that 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.

I further report that during the audit period there were no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For Archna Maheshwari & Co.
Company Secretaries

Place: Indore
Date: 04/09/2018

Archna Maheshwari
Proprietor
FCS No.:9436
CP No.:12034

‘Annexure A’

To,
The Members
M/S. SHANTI OVERSEAS (INDIA) LIMITED

Our 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 these Secretarial records based on our audit.
2. We have followed the audit practices and process 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 process 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. 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 procedure on test basis.
5. 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 Archana Maheshwari & Co.
Company Secretaries

Place: Indore
Date: 04/09/2018

Archana Maheshwari
Proprietor
FCS No.:9436
CP No.:12034

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Shanti Overseas (India) Limited has formulated a Code of Conduct (the Code), that lays down the principles and standards that should govern the actions of the Company and their employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides for mandatory establishment of vigil mechanism for the Directors and Employees of the Company to report their genuine concerns in the prescribed manner. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides for the establishment of a mechanism called Whistle Blower Policy by listed entity, enabling Stakeholders including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices to the management. It will also enable employees to report to the management instances of fraud or violation of the Company's code of conduct or ethics policy. In line with the above and in order to comply with the mandatory requirement of the above provisions, it is necessary to formulate a specific vigil mechanism/whistle blower policy for Shanti Overseas (India) Limited for use by its Directors, Officers and Employees.

OBJECTIVE

The Objective of this policy is to build and strengthen a culture of transparency and trust in the Company and to provide employees-officers and workmen with a framework/ procedure for responsible and secure reporting of improper activities (whistle blowing) and to protect employees wishing to raise a concern about improper activity/ serious irregularities within the Company

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below:-

- **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- **“Company”** means Shanti Overseas (India) Limited.
- **“Directors”** mean the members of the Board of Directors of the Company at any point of time.
- **“Employee”** means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
- **“Investigator(s)”** mean the person(s) authorised, appointed, consulted or approached by the Audit Committee and includes the Auditors of the Company and the Police.
- **“Policy”** means Vigil Mechanism/Whistleblower Policy.
- **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- **“Whistle Blower”** means an Employee making a Protected Disclosure under this Policy.

APPLICABILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures will be in relation to matters concerning the Company.

DISQUALIFICATIONS

While it will be ensured that genuine Whistle Blowers are given complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will attract disciplinary action. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention. Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company / Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

PROCEDURE

All Protected Disclosures should be addressed to Mr. Vijay Nichani an Independent Director of the Company and Chairman of the Audit Committee.

Mr. Vijay Nichani

215-216, Vikram Tower, 1st Floor, Sapna Sangeeta Road,

Indore, Madhya Pradesh, India- 452001

Tel. No.+91-731-4020596/586/587,4250595

E-mail: whistleblower@shantioverseas.com

Website: www.shantioverseas.com

The Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised. The Protected Disclosures can also be reported verbally, either personally or over telephone to the Chairman of the Audit Committee, which should be followed by a written communication. The written communication should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower. It is suggested that the Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee shall detach the covering letter and discuss the Protected Disclosure with Members of the Audit Committee to decide further action in the matter. If the Whistle Blower does not wish to reveal identity he/she may feel free to do so without revealing identity. However the disclosure has to be complete and supported by facts and figures to enable proper scrutiny and investigation. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to enable proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

INVESTIGATION

The Audit Committee may at its discretion, consider involving any Investigator(s) for the purpose of investigation. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Investigator(s) appointed by the Audit Committee who will investigate the matter under the authorization of the Audit Committee. The decision of the Audit Committee to conduct an investigation, by itself is not an accusation and is to be treated as a neutral fact finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed. The identity of a Subject will be kept confidential to the extent possible keeping in mind the legitimate needs of law and the investigation. Subjects will normally be informed of the allegations at the outset of a formal investigation and given opportunities for providing their inputs during the investigation. This will be after conclusion of the initial review and findings which prima facie establish a need for a formal investigation. Subjects shall have a duty to co-operate with the Audit Committee or any of the Investigator(s) during investigation to the extent that such co-operation sought does not merely require them to admit guilt. Subjects have a right to consult with a person or persons of their choice, other than the Investigator(s) and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

PROTECTION

No unfair treatment will be met out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower 's right to continue to perform his duties / functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle Blowers are cautioned that their identity may become known for reasons outside the control of the Audit Committee (e.g. during investigations carried out by Investigator(s)). Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

INVESTIGATORS

Investigator(s) are required to conduct a process towards fact-finding and analysis. Investigator(s) shall derive their authority and rights from the Audit Committee when acting within the course and scope of their investigation. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased. Investigators will have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards. Investigations will be launched only after a preliminary review which establishes that a) The alleged act constitutes an improper or unethical activity or conduct and b) The allegation is supported by information specific enough to be investigated.

DECISION

If an investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall recommend such disciplinary or corrective action as it deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

REPORTING

The Investigator(s) shall submit a report to the Audit Committee on a regular basis about all Protected Disclosures referred to him / her / them since the last report together with the results of investigations, if any.

RETENTION OF DOCUMENTS

All written Protected Disclosures along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.

**BY THE ORDER OF THE BOARD
FOR: SHANTI OVERSEAS (INDIA) LIMITED**

PLACE : INDORE

DATE : 04/09/2018

**MUKESH KACHOLIA
MANAGING DIRECTOR
DIN - 003765922**

POLICY OF THE NOMINATION AND REMUNERATION COMMITTEE OF THE COMPANY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of Companies Act, 2013 read along with applicable Rules thereto and Regulation 19 of Listing Regulation, as amended from time to time. This Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors.

DEFINITIONS

“**ACT**” means The Companies Act, 2013 and Rules made thereunder, as amended from time to time.

“**BOARD**” means the Board of Directors of the Company.

“**COMPANY**” means “**SHANTIOVERSEAS (INDIA) LIMITED**”

“**COMMITTEE**” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

“**DIRECTORS**” means the Directors of the Company.

“**REMUNERATION**” means any money or its equivalent given or passed for services rendered by him and includes perquisites as defined under the Income -Tax Act, 1961;

“Key Managerial Personnel” means:

1. The Managing Director;
2. The Company Secretary;
3. The Whole Time Director;
4. The Chief Financial Officer; and such other officers as may be prescribed

“**SENIOR MANAGEMENT**” means the personnel of the Company who are members of its core management team excluding Board of Directors.

“**POLICY**” OR “**THIS POLICY**” means Nomination and Remuneration Policy.

“**INDEPENDENT DIRECTOR**” means a Director referred to in Section 149(6) of the Companies Act, 2013.

INTERPRETATION

Terms that have not been defined in this policy shall have the same meaning as assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

NOMINATION AND REMUNERATION COMMITTEE

The Board constituted a Nomination and Remuneration Committee consisting of three or more Non – Executive Directors out of which at least one half are Independent Directors. The Chairman of the Committee is an Independent Director.

ROLE OF THE COMMITTEE

1. Identify persons who are qualified to become Directors and may be appointed in senior management in accordance with the Criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director’s performance;
2. Formulate the criteria for determining the qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for Directors, KMPs and other employees;
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
4. Devising a policy on diversity of Board of Directors;
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
6. Determine our Company’s policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
7. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
8. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose;
9. Decide the amount of Commission payable to the Whole time Directors;
10. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc;
11. To formulate and administer the Employee Stock Option Scheme.

TERMS OF APPOINTMENT

The term of Appointment of Managing Director /Whole Time Directors and Independent Directors of the Company shall be as per the provisions of the Companies Act, 2013 and the rules made thereunder

RETIREMENT

The Managing Director/Whole Time Director and Independent Directors of the Company shall be subject to retirement as per the applicable provisions of Companies Act, 2013 and the rules made there under. The Committee will be at its discretion to recommend retention of Directors even after they have attained the retirement age for the benefit of the Company subject to fulfillment of the requirements as mentioned in Companies Act, 2013.

POLICY FOR EVALUATION OF PERFORMANCE OF BOARD ,ITS COMMITTEES AND INDIVIDUAL DIRECTORS

1. Evaluation of performance of Board and Individual Directors:
 - a. Achievement of financial/ business targets as fixed by the Board;
 - b. Proper Development, management and execution of business plans;
 - c. Display of leadership qualities i.e. correctly anticipating business trends and opportunities
 - d. Establishment of an effective organization structure;
 - e. Participation in the Board /Committee Meetings;
 - f. Integrity and Maintenance of Confidentiality;
 - g. Any other criteria that may be considered necessary for the evaluation of the performance of the Board may be considered by the committee.
2. Evaluation of performance of Committee;
 - a. Discharge of its functions and duties as per its terms of reference;
 - b. Effectiveness of the Suggestions and recommendations received;
 - c. Conduct of its Meeting and procedures followed in this regard;
3. Review of the implementation of this Policy;

The Committee shall review the implementation and compliance of this policy at least once a year.

POLICY FOR REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

The remuneration of Directors and Key managerial Personnel must be in accordance with the provisions of Companies Act, 2013 and the rules made there under. The Committee must ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

**BY THE ORDER OF THE BOARD
FOR: SHANTI OVERSEAS (INDIA) LIMITED**

PLACE : INDORE

DATE : 04/09/2018

**MUKESH KACHOLIA
MANAGING DIRECTOR
DIN - 003765922**

Particulars of Employees as per Rule 5(2) of Companies (Appointment and Remuneration of Personnel) Rules, 2014.
i. Ratio and Remuneration of Directors & KMPs

| Sr No. | Name | Designation | Remuneration for the year 2017-18 | Remuneration for the year 2016-17 | % Increase in Remuneration | Ratio Between Director or KMP and Median Employee |
|--------|-------------------------------|----------------------------|-----------------------------------|-----------------------------------|----------------------------|---------------------------------------------------|
| 1 | Mr. Mukesh Kacholia | Chairman Managing Director | 48,00,000 | 42,00,000 | 0.143% | 22.22 |
| 2 | Mr. Ayush Kacholia | Whole Time Director | 48,00,000 | 42,00,000 | 0.143% | 22.22 |
| 3 | Mr. Rohan Kacholia | Whole Time Director | 48,00,000 | 42,00,000 | 0.143% | 22.22 |
| 4. | Mr. Vijay Nichani | Independent Director | 16,000 | - | - | - |
| 5. | Mr. Rajendra Gordhandas Nawal | Independent Director | 16,000 | - | - | - |
| 6. | Mrs. Sangeeta Kacholia | Non-Executive Director | - | - | - | - |
| 7. | Mrs. Karuna Kacholia | Chief Financial Officer | 13,75,000 | - | - | - |
| 8. | Mrs. Ramita Otvani | Company Secretary | 2,32,100 | - | - | - |

ii. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year 2017-18.

As stated above in Item No. (i)

iii. The percentage increase in the median remuneration of employees in the financial year 2017-18.

The Remuneration of Median employee was ₹ 2,16,000/- during the year 2017-18 as compared to ₹ 1,38,966/- in the previous year. The increase in the Remuneration of Median Employee was 55.43% during Financial Year under review.

iv. The number of permanent employees on the rolls of the company in the Financial year 2017-18.

The company has 31 permanent employees on its rolls;

v. Particulars of Top 10 employees in Respect of the Remuneration drawn during the year 2017-18 are as under.

| Sr. No. | Name of Employee | Designation of the Employee | Remuneration Received | Nature of Employment, Whether Contractual or Otherwise | Qualification and Experience of the Employee | Date of Commencement of Employee | The age of such Employee | The last employment held by such employee before joining the Company | Whether any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager | Remarks |
|---------|-----------------------|-----------------------------|-----------------------|--------------------------------------------------------|----------------------------------------------|----------------------------------|--------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------|
| 01 | Mr. Mukesh Kacholia | Managing Director | 48,00,000 | Permanent | M.Com. | 18/04/2011 | 54 | Self Employed | - | - |
| 02 | Mr. Ayush Kacholia | Whole Time Director | 48,00,000 | Permanent | B.Com. | 18/04/2011 | 31 | Self Employed | Son of Mr. Mukesh Kacholia | - |
| 03 | Mr. Rohan Kacholia | Whole Time Director | 48,00,000 | Permanent | M.Sc. | 25/10/2013 | 27 | Self Employed | Son of Mr. Mukesh Kacholia | - |
| 04 | Mrs. Karuna Kacholia | Chief Financial Officer | 13,75,000 | Permanent | C.A. | 01/05/2017 | 30 | M/s. Karuna & Associates | Spouse of Mr. Ayush Kacholia | - |
| 05 | Mrs. Namrata Kacholia | Manager | 10,94,992 | Permanent | MBA | 01/04/2017 | 27 | - | Spouse of Mr. Rohan Kacholia | - |
| 06 | Baruneshwar Sanyal | General Manager | 6,40,270 | Permanent | AMIE Mech. | 01/05/2017 | 60 | Ruchi soya Ind. Ltd. | - | - |
| 07 | Sandeep Mishra | Asst. Manager Exports | 5,38,500 | Permanent | MBA | 01/08/2015 | 33 | Jain Traders | - | - |
| 08 | Swati Puranik | Manager Marketing | 5,20,781 | Permanent | MBA | 07/08/2017 | 38 | Indian Steel Corp. Ltd. | - | - |
| 09 | Neelesh Gupta | Market Analyst | 4,64,222 | Permanent | MBA | 05/07/2016 | 32 | Trans Graph | - | - |
| 10 | Mrs. Ramita Otvani | Company Secretary | 2,32,100 | Permanent | C.S. | 01/05/2017 | 29 | Ruchi soya Ind. Ltd. | - | - |

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure

- Shanti Overseas (India) Ltd. (SOIL) started with a modest beginning in the year 2011, is now a leading export house based in central India (Indore) with overseas operations covering from USA to EUROPE. SOIL is one-star export house accredited by Ministry of Commerce engaged in the business of organic Soybean, Soymeal and by products at its core.
- Started as a private limited company in 2011, it entered into the manufacturing of organic Soya Meal, Expeller pressed Soy oil and then Soy Lecithin. Main objective of the Company is to provide a product high on quality and consistency to its clients since its inception.
- Every facet of Shanti's business outlines committed level of dedication and with entrepreneurial spirit. Shanti is continually looking forward to ambit to the success of being the most admired export house for coming generations.
- Company's use of latest technology, machinery & efficient manpower enables it to perform with immense degree of consistency in quality performance at various stages that contributes towards the making of final output. Our idea to procure, produce and supply organic products is due to the benefit it owns i.e. a sustainable healthy global environment.
- Shanti's head office and production units are located in Indore, India. Our company is currently looking forward towards diversifying and expanding its production up to 3 times by developing new products like textured soya protein, soya nuggets, soya flour and other soya-related products.

Company Overview



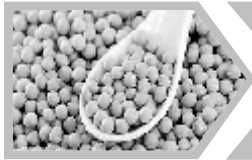
- The Company is currently engaged in manufacturing and exports of soya products – soyameal (expeller variety), soya crude oil and soyalecithin. It is also into Primary processing and trading of agri commodities such as chickpeas, soybeans, cracked corn, maize, rice, red cow pea, black eye bean, red lentil, yellow peas, pulses etc. Grading & Processing of Garbanzo Bean (Kabuli chana) & marketing under brand “Kitchen Pride”. It is the registered brand of SOIL.
- The new plant commenced its operations by the end of this year.
- Received ISO 22000:2005, FSSAI Licence, registered with USFDA, organic certificates NOP & NPOP. Awarded status of “One Star Export House” by Ministry of Commerce & Industry, Government of India.
- Products exported to major foreign countries - USA, Canada, Turkey, Dubai, Pakistan, Sri Lanka, Madagascar, Spain etc. In F.Y. 2016-17, exports constituted of over 75% of total revenue from operations.

Industry Overview

- Food Processing sector in India, sunrise sector, is poised for immense growth and greater contribution to World Food Trade.
- Growth rate of Gross Value Added (GVA) in food Processing industries has increased from 1.91% in 2013-14 to 5.78% in 2014-15 at constant prices Food industry, which was valued at USD 39.71 billion in 2013, is expected to grow at Compounded Annual Growth Rate (CAGR) of 11 percent to USD 65.4 bn by 2018.
- Indian food and grocery market is world's sixth largest, with retail contributing 70% of sales. Food has also been one of largest segments in India's retail sector, which was valued at USD 490 billion in 2013.
- Indian food retail market is expected to reach USD 894.98 billion by 2020. Similarly, online food ordering business in India is in its nascent stage, but witnessing exponential growth.
- Organized food business in India, which is worth USD 48 billion, of which food delivery is valued at USD 15 billion, has huge potential.

Complete Range of Soya Products

Organic Soyabean Seed



- Among largest produced crops in India - widely consumed foods in world
- Argentina, Brazil, USA, China and India-major producers of soya bean
- LDL in soya - helps in weight loss, reduced chances of heart attack

Organic Soyabean Meal



- Residue by-product obtained from separating oil from seed by grinding beans
- Great source of protein,- meal added in animal diets like cattle feed, chicken feed etc
- Nutritionally contains 46-50 % of protein, Crude Fiber, and Oil

Organic Soyabean Oil



- Expeller Pressed - natural extraction process in which seed is squeezed to separate oil
- Has mild flavour - makes it easy to cook with for most recipes
- Good source of polyunsaturated fatty acids, omega-3 fatty acids and vitamin E

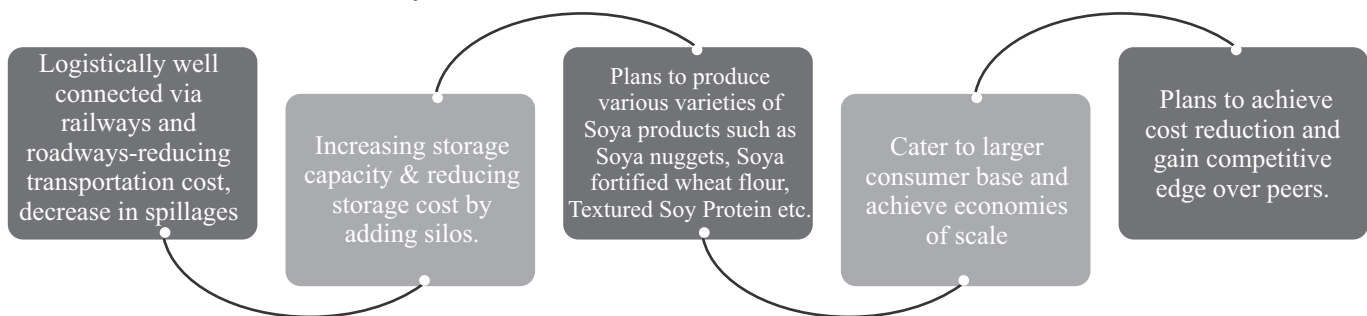
Organic Soyabean Lecithin



- Acts as skin conditioning agent, emulsifier and thickener for cosmetic products
- Organic soy lecithin - good emulsifier & disperser
- Used in body milks, lotions, creams, ointments, body washes, shampoos, conditioners, sun care & after sun products, body butter and make-up products

Future Outlook

Summarized benefits of our new Soy Meal Plant at Dhannad:



- About 85% of world's soya beans are processed annually into soybean meal and oil. Approximately 98% of soya bean meal is crushed and further processed into animal feed with balance used to make soy flour and proteins. Oil fraction, 95% is consumed as edible oil; rest is used for industrial products such as fatty acids, soaps and biodiesel. Major soybean producing nations are United States, Brazil and Argentina – 3 countries dominate global production, accounting for 80% of world's soya bean supply. India currently grows about 10 million tons of soya bean, which is only about 4% of world production.
- We believe in developing and maintaining long term sustainable relationships which leads to achieve Organizational goals, increasing sales and entering into new market.
- We Focus on high quality products and service of global standards leading to customer retention and increase in repeat business. Close interaction with customers to strengthen relationships in enhancing brand value.
- Our soya oil business in Shaan Agro Oils & Extractions Pvt. Ltd. (100% subsidiary of SOIL) is all set to benefit from an increase in value addition, market penetration, capacity utilization and margin expansion, and we continue focusing on growing the business. We continue to see sustained growth leading to improved utilization levels in the business. We are projecting optimal utilization in our new plant over the next 2-3 years. Going forward, with the remaining capex investment in SOIL & SAOEPL, we will be mainly sweating the assets we have newly set up. We are well positioned to deliver quality growth and sustained cycles for our stakeholders. We have commenced operations of our Oil Refinery in SAOEPL (100% subsidiary) on 11th July. We will be soon starting production & exports of our other value-added products & marketing the products in domestic market under our own brand “KITCHEN PRIDE”.
- We continue to look externally, tracking trends and staying close to our customers, as well as across our businesses. In the midst of a busy year, and while delivering strong performance, I'm proud of what we have achieved towards our strategic goals.
- We would like to thank our shareholders who have supported us over the years. We appreciate your confidence in our vision for the future.

Opportunities and Threats

- The food industry is highly competitive and the challenges are from both the Indian manufacturers who have similar production facilities as well as those abroad. Human resources with similar skills, talents and experiences in the industry are mobile between competing companies. The huge investment in infrastructure and larger domestic market made India as one of the favorite destinations for FMCG Companies. Indian Food sector is looking towards promising future because of low cost of production and developed R & D infrastructure. Despite the weakness of the industry the growth of this industry is expected greatly because there is increased export potential.
- The Company has wide range of products in its basket which caters to the customers across the globe and R & D Department of the Company looks after the innovation and also take into consideration the standards laid down under the ISO certification. The total production capacity (all units) of the Company has been increased from 25000 M.T. to 60,000 M.T. in case of Soy Meal Plant. Thus your Company has adequate production capacity to meet the increased demand of the Customers.

Material Developments in Human Resources / Industrial Relations front, including number of people employed.

- We believe that our employees are key contributors to our business success .We focus on attracting and retaining the best possible talent. Our Company looks for specific skills-sets, interests and background that would be an asset for our business.
- Many initiatives were taken to support business through organizational efficiency, process change support and various employee engagement programs which has helped the organization to achieve higher productivity level. A significant effort has also been undertaken to develop leadership as well as technical / functional capabilities in order to meet future talent requirement.
- Company is committed to provide necessary training / conducts development programs to imbibe necessary skills required within the employees .The management of the Company enjoys cordial relations with its employees at all levels.
- Risks and Concerns , Internal Control System and their adequacy
- The Company has a Risk Management Policy and adequate Internal Control System in place. The main objective of this Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with Company's business. In order to achieve the key objective, this policy establishes a structured and a disciplined approach to Risk Management; in order to guide decisions on risk related issues. Internal Control System is commensurate with the size, scale and complexity of its operations.
- The Company continuously reviews its various types of regulatory, financial, operational, environmental and other business risks. There are adequate systems to ensure compliance of all various statutory and regulatory requirements and review the same from time to time and to take appropriate actions from time to time.

Risks and Concerns, Internal Control System and their adequacy

- The Company has a Risk Management Policy and adequate Internal Control System in place. The main objective of this Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with Company's business. In order to achieve the key objective, this policy establishes a structured and a disciplined approach to Risk Management; in order to guide decisions on risk related issues. Internal Control System is commensurate with the size, scale and complexity of its operations.
- The Company continuously reviews its various types of regulatory, financial, operational, environmental and other business risks. There are adequate systems to ensure compliance of all various statutory and regulatory requirements and review the same from time to time and to take appropriate actions from time to time.

Segment-wise or product-wise performance

1. Trading Segment:

Primary processing, trading & merchant trading of agri commodities such as Chickpeas, Soybean, cracked corn, maize, Rice, Red cowpeas, Black Eye Beans, Red Lentils, Yellow Peas, Pulses, etc. The grading plant is located at Palda, Indore since 2004.

2. Manufacturing Segment:

Manufacturing of Soy Meal, Soy Crude Oil, Soy Refined Oil & Soy Lecithin. The basic raw material required is Soybean seed for all these products. The Plant is located at Dhannad, Tehsil Depalpur, Rau-Pithampur Road, Indore.

The company is into manufacturing segment since 2015.

Cautionary Statement

Statements in these report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed in these statements because of many factors like economic conditions, availability of labour, price conditions, domestic and international market , changes in Government Policies, tax regime etc. The Company assumes no responsibility to publicly amend, modify or revise any statement on the basis of any development, information and event.

PLACE: INDORE
DATE: 04/09/2018

BY THE ORDER OF THE BOARD
FOR: SHANTI OVERSEAS (INDIA) LIMITED

MUKESH KACHOLIA
MANAGING DIRECTOR
DIN : 003765922

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SHANTI OVERSEAS (INDIA) LIMITED**

Report on Standalone Financial Statements

We have examined the Standalone Financial Statements of Shanti Overseas (India) Limited (hereinafter referred as “the Company”), which comprise of the Standalone Statement of Assets and Liabilities, Statement of Profit and Loss and the Statement of Cash Flows for the year ended on March 31st, 2018 and the Summary of the Significant accounting policies approved by the Board of Directors annexed to this report have been prepared on the basis of books of account of the Company maintained by the management for financial year ended on March 31, 2018.

Management’s Responsibility for the Financial Statements

The Company’s Board of Directors is responsible for these Standalone Financial Statements in terms of the requirements 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 Standalone financial position, Standalone financial performance and Standalone 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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.

In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, 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.

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor’s Report) Order, 2016, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013 (hereinafter referred to as the Order”), we give in the **Annexure ‘A’** a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

The Standalone Balance Sheet, the Standalone Statement of Profit and Loss, and Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.

In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

On the basis of written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.

With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer our separate report in **Annexure-B**

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:

- The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements.
- There has been no transfer of funds to the Investor Education and Protection Fund by the Company.

For Muchhal & Gupta

Chartered Accountants

FRN: 004423C

Prakash Chandra Gupta

Partner

Membership No. 073011

Place: Indore

Date: 28/05/2018

Annexure A to the Independent Auditors' Report

With reference to the Annexure referred in our report of even date to the members of Shanti Overseas (India) Limited for the year ended on 31st March 2018, we report that, in our opinion and to the best of our information and explanations furnished to us and the books and records examined by us in the normal course of Audit:

(1) In Respect of Fixed Assets

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regards to the size of the company and nature of its assets. We were informed that no material discrepancies were noticed on such physical verification.
- (c) The title deeds of immovable properties are held in the name of the Company.

(2) In Respect of Inventories

Physical verification of inventory has been conducted at reasonable intervals by the management. The company has maintained proper records of inventory. No material discrepancies were noticed on verification.

(3) Compliance under section 189 of The Companies Act, 2013

The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013.

- (a) N.A.
- (b) N.A.
- (c) N.A.

(4) Compliance under section 185 and 186 of The Companies Act, 2013

While doing transaction for loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

(5) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed thereunder while accepting Deposits

No Deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the act and the rules framed thereunder have been accepted by the company.

(6) Maintenance of cost records

The company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

(7) Deposit of Statutory Dues

- (a) According to the records of the company, the company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other statutory dues applicable to the company with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) There is no dispute pending with the revenue authorities regarding any duty or tax payable.

(8) Repayment of Loans and Borrowings

The company has not defaulted in repayment of dues to financial institution, or a bank.

(9) Utilization of Money Raised by Public Offers and Term Loan For which they Raised

The company has raised money by way of term loans and public offer and the same was applied for the purpose for which it has been raised.

(10) Reporting of Fraud During the Year

Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.

(11) Managerial Remuneration

Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

(12) Compliance by Nidhi company Regarding Net Owned Fund to Deposits Ratio

As per information and records available with us the company is not Nidhi Company.

(13) Related party compliance with Section 177 and 188 of companies Act - 2013

According to the information and explanation given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(14) Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures

The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(15) Compliance under section 192 of Companies Act - 2013

The company has not entered into any non-cash transactions with directors or persons connected with him.

(16) Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act.

For M/s Muchhal & Gupta

(Chartered Accountants)

Prakash Chandra Gupta

(Partner)

M.No. 073011

FRN: 004423C

Place: Indore

Date: 28/05/2018

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1(f) of the Independent Auditors' Report of even date to the members of Shanti Overseas (India) Limited on the financial statements for the year ended March 31, 2018.

1. **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of Shanti Overseas (India) Limited as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

2. **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 Act.

3. **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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.

4. 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.

5. 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.

6. **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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

7. **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.

8. **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 March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Notes on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s Muchhal & Gupta

(Chartered Accountants)

Prakash Chandra Gupta

(Partner)

M.No. 073011

FRN: 004423C

Place: Indore

Date: 28/05/2018

SHANTI OVERSEAS (INDIA) LTD.
CIN : L51211MP2011PLC025807
STANDALONE BALANCE SHEET AS AT 31st MARCH, 2018

| Particulars | | Notes | Amount (₹) 31.03.2018 | Amount (₹) 31.03.2017 |
|-------------|--------------------------------------|-------|--------------------------|--------------------------|
| I. | <u>EQUITY AND LIABILITIES</u> | | | |
| 1 | Shareholders' Funds | | | |
| | (a) Share Capital | 2 | 7,40,40,000 | 3,60,00,000 |
| | (b) Reserves and Surplus | 3 | 16,09,03,693 | 4,98,38,813 |
| 2 | Non-Current Liabilities | | | |
| | (a) Long term Borrowings | 4 | 9,68,60,268 | 3,48,55,896 |
| | (b) Deffered Tax Liability (Net) | 5 | 54,20,479 | 14,08,098 |
| | (c) Long term Provisions | 6 | 2,11,563 | 1,29,937 |
| 3 | Current Liabilities | | | |
| | (a) Short term Borrowings | 7 | 31,55,14,962 | 20,55,22,528 |
| | (b) Trade Payables | 8 | 4,26,79,305 | 19,71,910 |
| | (c) Other Current Liabilities | 9 | 1,28,47,840 | 1,01,13,230 |
| | (d) Short term Provisions | 10 | 2,99,60,034 | 2,21,49,817 |
| | TOTAL | | 73,84,38,143 | 36,19,90,230 |
| II. | <u>ASSETS</u> | | | |
| 1 | Non-Current Assets | | | |
| | (a) Fixed Assets: | | | |
| | (i) Tangible Assets | 11 | 18,92,60,903 | 6,87,63,877 |
| | (ii) Capital Work-in-progress | | - | 49,83,119 |
| | (b) Non Current Investment | 12 | 4,57,00,000 | 2,00,000 |
| | (c) Long term Loans and Advances | 13 | 66,85,097 | 34,15,259 |
| | (d) Other Non Current Assets | 14 | 87,67,997 | - |
| 2 | Current Assets | | | |
| | (a) Inventories | 15 | 23,10,46,753 | 9,94,23,875 |
| | (b) Trade Receivables | 16 | 15,25,24,348 | 13,53,27,093 |
| | (c) Cash and Bank Balance | 17 | 1,36,57,988 | 1,36,22,961 |
| | (d) Short term Loans and Advances | 18 | 7,61,20,766 | 2,49,31,554 |
| | (e) Other Current Assets | 19 | 1,46,74,290 | 1,13,22,492 |
| | TOTAL | | 73,84,38,143 | 36,19,90,230 |

Significant Accounting Policies & Disclosures Note 1
Notes to Accounts Note No. 2-29

For & on Behalf of the Board
SHANTI OVERSEAS (INDIA) LTD.

As per our Report of even date annexed
For M/S MUCHHAL & GUPTA
Chartered Accountants

Mukesh Kacholia
Managing Director
DIN:00376922

Ayush Kacholia
Director
DIN:03096933

Ramita Otvani
Company Secretary
M.No. 28101

Prakash C. Gupta
(Partner)
M.No.: 073011
FRN: 004423C

Date : 28/05/2018
Place : Indore

SHANTI OVERSEAS (INDIA) LTD.**CIN : L51211MP2011PLC025807****STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st MARCH, 2018**

| Particulars | Notes | Amount (₹) | Amount (₹) |
|-------------------------------------------------------------|-------|-----------------------|-----------------------|
| | | 31.03.2018 | 31.03.2017 |
| I. Revenue from operations | 20 | 1,34,30,83,341 | 1,09,90,46,946 |
| II. Other Income | 21 | 24,93,495 | 83,41,876 |
| III. Total Revenue (I+II) | | 1,34,55,76,836 | 1,10,73,88,822 |
| IV. Expenses: | | | |
| Cost of materials consumed | 22 | 82,57,67,845 | 72,89,07,719 |
| Purchase of Stock-in-Trade | 23 | 27,59,40,451 | 12,87,42,921 |
| Changes in inventories of finished goods and Stock-in-Trade | 24 | 3,43,19,475 | 8,46,87,315 |
| Employee benefits expense | 25 | 2,53,92,580 | 2,03,00,080 |
| Finance costs | 26 | 2,51,42,784 | 2,41,78,234 |
| Depreciation and amortization expense | 11 | 89,87,614 | 1,05,07,692 |
| Other expenses | 27 | 7,60,89,136 | 5,34,29,463 |
| Total Expenses | | 1,27,16,39,885 | 1,05,07,53,424 |
| V. Profit before extraordinary Items & tax (III-IV) | | 7,39,36,952 | 5,66,35,399 |
| VI. Add/Less: Extraordinary Items | | - | - |
| VII. Profit Before Tax | | 7,39,36,952 | 5,66,35,399 |
| VIII. <u>Tax Expenses</u> | | | |
| (a) Current Tax | | 2,10,19,691 | 1,82,24,402 |
| (b) Deffered Tax Liabilities/(Assets) | | 40,12,381 | 5,39,448 |
| IX. Profit for the year | | 4,89,04,880 | 3,78,71,548 |
| X. Earning Per Equity Share | | | |
| Basic | 28 | 7.31 | 7.01 |
| Diluted | 28 | 7.31 | 7.01 |

Significant Accounting Policies & Disclosures Note 1**Notes to Accounts Note No. 2-29**

For & on Behalf of the Board
SHANTI OVERSEAS (INDIA) LTD.

Mukesh Kacholia
 Managing Director
 DIN:00376922

Ayush Kacholia
 Director
 DIN:03096933

Ramita Otwani
 Company Secretary
 M.No. 28101

As per our Report of even date annexed
For M/S MUCHHAL & GUPTA
 Chartered Accountants

Prakash C. Gupta
 (Partner)
 M.No.: 073011
 FRN: 004423C

Date : 28/05/2018
Place : Indore

SHANTI OVERSEAS (INDIA) LTD.
CIN : L51211MP2011PLC025807
STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED ON 31st MARCH, 2018

| Particulars | As on 31.03.2018 Amount (₹) | As on 31.03.2018 Amount (₹) | As on 31.03.2017 Amount (₹) | As on 31.03.2017 Amount (₹) |
|--------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit Before Tax | 7,39,36,952 | | 5,66,35,399 | |
| Adjustments for: | | | | |
| Depreciation | 89,87,614 | | 1,05,07,692 | |
| Interest & Finance Charges | 2,51,42,784 | | 2,41,78,234 | |
| Interest on Deposit | (8,08,330) | | (6,34,938) | |
| Interest Received | (3,500) | | (50,000) | |
| (Profit)/Loss On sale of fixed Asset | - | | (27,042) | |
| Decrease/(Increase) in Non-Current Assets | (87,67,997) | | - | |
| Operating Profit before Working Capital Changes | 9,84,87,522 | | 9,06,09,345 | |
| Adjustments for: | | | | |
| Decrease/(Increase) in Receivables | (1,71,97,255) | | (2,09,42,725) | |
| Decrease/(Increase) in Inventories | (13,16,22,878) | | 3,66,63,393 | |
| Increase/(Decrease) in Payables | 4,07,07,395 | | (1,73,35,793) | |
| Increase/(Decrease) in Short Term Provision | 78,10,216 | | 1,11,77,020 | |
| Decrease/(Increase) in Other Current Assets | (33,51,798) | | 22,96,585 | |
| Increase/(Decrease) in Other Current Liabilities | 27,34,610 | | (3,47,920) | |
| Increase/(Decrease) in Long Term Provision | 81,626 | | 1,28,977 | |
| Decrease/(Increase) in Long term Advances | (32,69,838) | | (4,27,780) | |
| Decrease/(Increase) in Short term Advances | (5,11,89,212) | | (90,74,029) | |
| Cash generated from operations | (5,68,09,613) | | 9,27,47,073 | |
| Income Tax paid | 2,10,19,691 | | 1,82,24,402 | |
| Net Cash flow from Operating activities | | (7,78,29,304) | | 7,45,22,671 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Increase in Investments | (4,55,00,000) | | (2,00,000) | |
| Interest on Deposit | 8,08,330 | | 6,34,938 | |
| Increase in Fixed Assets (Net) | (12,45,01,522) | | (2,37,29,847) | |
| Interest Received | 3,500 | | 50,000 | |
| Net Cash used in Investing activities | | (16,91,89,692) | | (2,32,44,909) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from issue of Shares | 10,02,00,000 | | - | |
| Increase in Long term Borrowings | 6,20,04,372 | | (4,74,00,051) | |
| Increase in Short term Borrowings | 10,99,92,434 | | 2,66,31,339 | |
| Interest paid | (2,51,42,784) | | (2,41,78,234) | |
| Net Cash used in financing activities | | 24,70,54,022 | | (4,49,46,947) |
| Net increase in Cash & Cash Equivalents (A+B+C) | | 35,027 | | 63,30,815 |
| Cash and Cash equivalents as at 01.04.2017 | | 1,36,22,961 | | 72,92,146 |
| Cash and Cash equivalents as at 31.03.2018 | | 1,36,57,988 | | 1,36,22,961 |

| Cash & Cash Equivalents | As on 31.03.2018 | As on 31.03.2017 |
|---------------------------------------------------------|--------------------|--------------------|
| i Cash on Hand | 98,591 | 2,88,547 |
| ii Cash at Bank | 27,92,427 | 9,40,107 |
| iii Bank deposits with more than twelve months maturity | 1,07,66,970 | 1,23,94,308 |
| Cash & Cash equivalents as stated (i+ii+iii) | 1,36,57,988 | 1,36,22,961 |

For & on Behalf of the Board
SHANTI OVERSEAS (INDIA) LTD.

As per our Report of even date annexed
For M/S MUCHHAL & GUPTA
Chartered Accountants

Mukesh Kacholia
Managing Director
DIN:00376922

Ayush Kacholia
Director
DIN:03096933

Ramita Otwni
Company Secretary
M.No. 28101

Prakash C. Gupta
(Partner)
M.No.: 073011
FRN: 004423C

Date : 28/05/2018

Place : Indore

NOTE - 1**SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE STANDALONE SUMMARY OF STATEMENTS****A. BACKGROUND**

Shanti Overseas (India) Limited having registered office at 215-216 Vikram Tower, 1st Floor, Sapna Sangeeta Road, Indore was originally formed and registered as a partnership firm under the Partnership Act in the name and style of “M/s Shanti Overseas”, pursuant to a deed of partnership dated November 15, 2004. “M/s Shanti Overseas” was thereafter converted from a partnership firm to a private limited company under Part IX of the Companies Act, 1956 with the name of “Shanti Overseas (India) Private Limited” vide certificate of incorporation received on April 18, 2011 from Registrar of Companies, Madhya Pradesh. Subsequently, the Company was converted into a public limited company vide fresh Certificate of Incorporation dated January 20, 2017 issued by the Registrar of Companies, Gwalior. The company is listed on NSE EMERGE platform via initial public offer on August 3, 2017. Shanti Overseas (India) Limited is engaged in primary processing and trading of agri commodities and Manufacturing of Soya Products such as Soya bean Meal, Crude Oil and Organic Soya Lecithin.

The Company has two wholly owned Subsidiaries namely Shaan Agro Oils & Extractions Private Limited (incorporated on February 14, 2017) and Biograin Protinex Private Limited (incorporated on May 31, 2016).

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (1-20)**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Standalone Statement of Assets and Liabilities of the Company as on March 31, 2018 and the Standalone Summary Statement of Profit and Loss and Standalone Summary Statements of Cash Flows for the year ended on March 31, 2018, and the annexure thereto (collectively, the “Standalone Financial Statements” or “Standalone Summary Statements”) have been extracted by the management from the Standalone Financial Statements of the Company for the year ended on March 31, 2018.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

2. USE OF ESTIMATES

The preparation of Standalone financial statements in conformity with generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. INVENTORIES

- a) The cost of inventories comprises all costs of purchase including duties and taxes (other than those subsequently recoverable from the taxing authorities), conversion cost and other costs incurred in bringing the inventories to their present location and condition.
- b) The inventories are valued at the lower of cost on Weighted Average FIFO and the net realisable value after providing for obsolescence and other losses, where considered necessary.

4. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with bank. Cash equivalents are short term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amount of cash and which are subject to insignificant risk of changes in value.

5. CASH FLOW

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

6. FIXED ASSETS

The company has adopted cost model as prescribed in Accounting Standard AS-10 (Revised) “Property, Plant & Equipment”.

Recognition

The cost of an item of property, plant and equipment is recognized as an asset if, and only if:

- (a) It is probable that future economic benefits associated with the item will flow to the enterprise; and
- (b) The cost of the item can be measured reliably.

Subsequent Cost

The Company recognizes in the carrying amount of an item of Property, Plant & Equipment, and the cost of replacing a part of an item, when that cost is incurred provided the recognition criteria as mentioned above are met. The carrying amount of those parts that are replaced is derecognized in accordance with the de-recognition provisions mentioned in the Accounting Standard. The cost of day to day servicing of an item of Property, Plant & Equipment is recognized in the Statement of Profit & Loss as and when incurred.

Measurement

Fixed assets are stated at acquisition cost less accumulated depreciation. The cost of fixed assets comprises its purchase price including import duties and other non-refundable taxes or levies (excluding GST) and any directly, attributable cost of bringing the asset to the working condition for its intended use.

Capital Work in Progress

Capital Work-In-Progress includes the cost of fixed assets that are not ready to use at the Balance Sheet date. Advances paid for capital assets are not considered as Capital Work-in-Progress but classified as Long Term Advances. Expenditure during construction period (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as pre-operative expenses, pending allocation to the assets and are included under “Capital Work-In-Progress”. These are apportioned to fixed assets on commencement of commercial production. However, any addition to the construction work and new technologically advanced machinery that will be installed in next year will be then capitalized.

7. EVENTS OCCURRING AFTER BALANCE SHEET DATE

Material events occurring after the Balance Sheet are considered up to the date of approval of the accounts by the board of directors. There are no substantial events having an impact on the results of the current year Balance Sheet.

8. DEPRECIATION

Depreciation has been provided on the Written Down Value method as per the rates prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

Assets costing less than Rs. 5,000 each are generally fully depreciated in the year of capitalisation.

9. REVENUE RECOGNITION

- (a) Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership of products to the customers, which is generally on dispatch of goods. Sales are stated exclusive of GST.
- (b) Dividend income is recognized when the right to receive the dividend is established.
- (c) Interest income is recognized on the time proportion basis.
- (d) Export incentives receivable and duty drawback receivable are accounted for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

10. INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

11. EMPLOYEE BENEFITS

(a) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and short term compensated absences, etc. are recognized in the period in which the employee renders the related services.

(b) Post- Employment Benefits:

(i) Defined Contribution Plans: The Employee State Insurance Scheme and Contributory Provident Fund administered by Provident Fund Commissioner are defined contribution plans. The Company's contribution paid/payable under the schemes is recognized as expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

(ii) Defined Benefit Plans: The present value of the company's obligation towards gratuity payment to employees is determined based on the actuarial valuation, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, are as per actuarial valuation.

Actuarial gains and losses are recognized in the Statement of Profit and Loss.

12. BORROWING COSTS

The borrowing costs that are directly attributable to the acquisition, construction or productions of a qualifying asset are capitalized as part of the cost of that asset. The amount of borrowing cost eligible for capitalization is determined in accordance with Accounting Standard (AS) 16- Borrowing Costs issued by the Institute of Chartered Accountants of India (ICAI) and specified u/s 133 of the Act read with Rule 7 of the Companies (Accounts) Rule, 2014.

13. EARNINGS PER SHARE:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

14. ACCOUNTING FOR TAXES ON INCOME

Tax expenses for the current year comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act 1961. Deferred tax is recognized, on timing differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. In subsidiaries companies Deferred tax asset/liability recognised only in that year when the company is start doing actual business activity.

DEFERRED TAX ASSETS/ LIABILITIES

Deferred Tax liability/Asset in view of Accounting Standard –22: “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, is applicable to the company. The Deferred tax is recognised for all timing differences being the difference between the “Taxable income” and “Accounting Income” the originate in one period, and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates. Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying value at each Balance Sheet date.

15. IMPAIRMENT OF ASSETS

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (Cash Generating Unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. If such recoverable amount of the asset or the recoverable amount of the Cash Generating Unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

16. FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss for the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss.

The premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is recognized as an expense or income at the time of the contract.

17. CONTINGENT LIABILITIES AND PROVISIONS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

*Dextrous Products Private Limited versus Shanti Overseas (India) Pvt. Ltd. and another Dextrous Products Pvt. Ltd. has filed a case under Order 7 Rule 1 of Civil Procedure Code bearing case no RCS B/00029/2016 against our Company with City Civil Court no XVII Civil Judge Class I, District Judge, Indore for recovery of dues against our Company and Our Promoter Group Entity, M/s Agri Wing International. The matter is in dispute for the quality issue and cancellation of supply of contract beyond 545.885 metric tons. The company claims that it has made the payment as per the agreed calculation. The liability in the present matter can be of an amount of ₹ 9,14,397/- on our Company, and ₹ 4,39,803 on our Promoter Group Entity, M/s Agri Wing International. The last date of hearing was 6th October 2016. The matter is pending for further consideration.

18. PRELIMINARY & PRE-OPERATIVE EXPENSES:

Preliminary & pre-operative expenses have been written-off 1/5th over the course of five years from the year in which company's actual business started. As the management believes that actual benefit from those expenses will be derived in a period of 5 years and not immediately. Till then Company shows Preliminary & pre-operative expenses under other current assets head.

19. OPERATING SEGMENT:

The Company operates in two segments – Manufacturing and trading. The segment report of Standalone Audited Segment wise Revenue, Results and Capital Employed is annexed herewith-

Shanti Overseas (India) Limited
Reporting of Standalone Audited Segment wise Revenue, Results and Capital Employed
Under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

| Particulars | Yearly | |
|---------------------------------------------------------------------------|-----------------------|-----------------------|
| | 31.03.2018 Audited | 31.03.2017 Audited |
| 1. Segment Revenue | | |
| (a) Segment – Manufacturing | 1,02,55,56,825 | 90,25,09,030 |
| (b) Segment – Trading | 40,70,16,551 | 24,19,02,902 |
| Total | 1,43,25,73,376 | 1,14,44,11,932 |
| Less: Inter Segment Revenue | (8,69,96,540) | (3,70,23,110) |
| Net Segment Revenue | 1,34,55,76,836 | 1,10,73,88,822 |
| 2. Segment Results (Profit)(+)/ Loss (-) before tax and interest) | | |
| (a) Segment – Manufacturing | 10,56,08,496 | 10,76,13,205 |
| (b) Segment – Trading | (65,28,760) | (2,67,99,572) |
| Total | 9,90,79,736 | 8,08,13,633 |
| Less: i) Interest | (2,51,42,784) | (2,41,78,234) |
| Total Profit Before Tax | 7,39,36,952 | 5,66,35,399 |
| 3. Segment Assets | | |
| (a) Segment – Manufacturing | 57,96,03,159 | 26,88,01,017 |
| (b) Segment – Trading | 15,88,34,984 | 9,31,89,213 |
| Total | 73,84,38,143 | 36,19,90,230 |
| 4. Segment Liabilities | | |
| (a) Segment – Manufacturing | 41,73,48,192 | 19,62,17,534 |
| (b) Segment – Trading | 8,61,46,259 | 7,99,33,883 |
| Total | 50,34,94,451 | 27,61,51,417 |
| 5. Capital Employed | 23,49,43,692 | 8,58,38,813 |
| Total | 73,84,38,143 | 36,19,90,230 |

C. NOTES TO ACCOUNTS-

1. The schedules referred to in the balance sheet and profit and loss account forms an integral part of the accounts.

2. Realizations:

Balances of depositors, sundry debtors, creditors and loans and advances are subject to confirmations and reconciliations.

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

3. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

4. Amounts in the financial statements

Amounts in the financial statements are rounded off to nearest rupee. Figures in brackets indicate negative values.

Previous year figures have been regrouped/ rearranged wherever found necessary.

5. Related Party Disclosure (AS 18)

Related party transactions are reported below as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended.

a) Details of related parties:

| | | |
|----|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Key Managerial Personnel | <ul style="list-style-type: none"> i. Mr. Mukesh Kacholia (Managing Director) ii. Mr. Ayush Kacholia (Whole Time Director) iii. Mr. Rohan Kacholia (Whole Time Director) iv. Mrs. Sangeeta Devi Kacholia (Non-Executive Director) v. Mrs. Karuna Kacholia (Chief Financial Officer) |
| 2. | Relatives of KMP | <ul style="list-style-type: none"> i. Mukesh Kacholia HUF (HUF Of Director) ii. Mrs. Namrata Kacholia (Spouse of Rohan Kacholia) |
| 3. | Entities where control exists | <ul style="list-style-type: none"> i. M/s. Shaan Agro Oils & Extractions Pvt. Ltd. (Wholly Owned Subsidiary) ii. M/s. Biograin Protinex Pvt. Ltd. (Wholly Owned Subsidiary) iii. M/s. Agri Wing International (Directors are Partners) |

b) Transactions during the year with the related party:

| S No. | Nature of Transactions | Key Managerial Personnel | Relatives of KMP | Entities where control exists |
|-----------|----------------------------------|--------------------------|------------------|-------------------------------|
| 1. | Employee Benefit Expenses | | | |
| | Mr. Mukesh Kacholia | 48,00,000 | - | - |
| | Mr. Ayush Kacholia | 48,00,000 | - | - |
| | Mr. Rohan Kacholia | 48,00,000 | - | - |
| | Mrs. Karuna Kacholia | 13,93,742 | - | - |
| | Mrs. Namrata Kacholia | | 10,94,992 | - |
| 2. | Interest Paid | | | |
| | Mr. Mukesh Kacholia | 4,49,066 | - | - |
| | Mr. Ayush Kacholia | 3,43,412 | - | - |
| | Mr. Rohan Kacholia | 4,43,948 | - | - |
| 3. | Unsecured Loans Received | | | |
| | Mr. Mukesh Kacholia | 91,50,000 | - | - |
| | Mr. Ayush Kacholia | 1,96,05,000 | - | - |
| | Mr. Rohan Kacholia | 1,33,09,000 | - | - |
| | Mrs. Sangeeta Devi Kacholia | 13,00,000 | - | - |
| 4. | Unsecured Loans Repaid | | | |
| | Mr. Mukesh Kacholia | 1,26,60,993 | - | - |
| | Mr. Ayush Kacholia | 1,83,28,157 | - | - |
| | Mr. Rohan Kacholia | 1,42,55,500 | - | - |
| | Mrs. Sangeeta Devi Kacholia | 13,00,000 | - | - |

| | | | | |
|-----------|-----------------------------------------------------------------------------------------------------------------|---------------------------|-------------|---------------------------|
| 5. | Professional Fees Paid Mrs. Karuna Kacholia | 1,25,000 | - | - |
| 6. | Rent Paid Mrs. Sangeeta Kacholia Mr. Mukesh Kacholia M/s. Agri Wing International | 8,52,500 7,60,800 - | - - - | - - 23,83,500 |
| 7. | Purchase During the Year M/s. Agri Wing International | - | - | 80,71,875 |
| 8. | Sales During the Year M/s. Agri Wing International M/s. Shaan Agro Oils & Extractions Pvt. Ltd. | - - | - - | 49,43,06,459 92,61,000 |
| 9. | Rent Received M/s. Shaan Agro Oils & Extractions Pvt. Ltd. | - | - | 14,70,000 |

c) Balances Outstanding as on 31st March, 2018:

| S No. | Nature of Transactions | Key Managerial Personnel | Relatives of KMP | Entities where control exists |
|-----------|-------------------------------------------------|--------------------------|------------------|-------------------------------|
| 1. | Unsecured Loans | | | |
| | Mr. Mukesh Kacholia | 30,30,968 | - | - |
| | Mr. Ayush Kacholia | 31,44,040 | - | - |
| | Mr. Rohan Kacholia | 25,86,214 | - | - |
| 2. | Debtors for Goods | | | |
| | M/s. Agri Wing International | - | - | 1,12,00,000 |
| | M/s. Shaan Agro Oils & Extractions Pvt. Ltd. | - | - | 97,24,052 |
| 3. | Loans & Advances | | | |
| | M/s. Shaan Agro Oils & Extractions Pvt. Ltd. | - | - | 1,89,15,324 |

6. Statement of Adjustments to Profit and Loss after Tax
Table-1

| Particulars | 2017-18 |
|-----------------------------------------------------------------------------------------|--------------------|
| Net Profit After Tax as per audited accounts but before adjustments for DTA/DTL: | 5,29,17,261 |
| Decrease/(Increase) in DTL | (40,12,381) |
| Profits after Tax as per Accounts | 4,89,04,880 |

For M/s Muchhal & Gupta
Chartered Accountants
FRN: 004423C

Prakash Chandra Gupta
Partner
Membership No. 073011

Place: Indore
Date: 28/05/2018

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2018

NOTE 2

| SHARE CAPITAL | AS AT 31-03-2018 | | AS AT 31-03-2017 | |
|--------------------------------------|------------------|--------------------|------------------|--------------------|
| | Number | Amount | Number | Amount |
| Authorised Capital | | | | |
| Equity Shares of ₹10 each | 76,00,000 | 7,60,00,000 | 60,00,000 | 6,00,00,000 |
| Issued Capital | | | | |
| Equity Shares of ₹10 each | 74,04,000 | 7,40,40,000 | 36,00,000 | 3,60,00,000 |
| Subscribed & Paid up | | | | |
| Equity Shares of ₹10 each fully paid | 74,04,000 | 7,40,40,000 | 36,00,000 | 3,60,00,000 |
| TOTAL | 74,04,000 | 7,40,40,000 | 36,00,000 | 3,60,00,000 |

A. THE DETAILS OF SHAREHOLDER HOLDING MORE THAN 5% SHARE

| NAME OF SHAREHOLDER | AS AT 31-03-2018 | | AS AT 31-03-2017 | |
|-----------------------------|--------------------|--------------|--------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Mr. Mukesh Kacholia | 15,64,250 | 21% | 1,80,000 | 5% |
| Mr. Ayush Kacholia | 10,80,000 | 15% | 7,20,000 | 20% |
| Mr. Rohan Kacholia | 10,80,000 | 15% | 7,20,000 | 20% |
| Mrs. Sangeeta Devi Kacholia | 5,41,750 | 7% | 12,24,000 | 34% |
| Mrs. Karuna Kacholia | 5,40,000 | 7% | 3,60,000 | 10% |
| Mrs. Namrata Kacholia | 5,40,000 | 7% | 3,60,000 | 10% |
| TOTAL | 53,46,000 | 72% | 35,64,000 | 99% |

B. RECONCILIATION OF EQUITY SHARES

| PARTICULARS | AS AT 31-03-2018 | | AS AT 31-03-2017 | |
|-------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | No. of Shares held | Amount | No. of Shares held | Amount |
| Number of shares at the beginning of the period | 36,00,000 | 3,60,00,000 | 6,00,000 | 60,00,000 |
| Add: Bonus Shares issued | 18,00,000 | 1,80,00,000 | 30,00,000 | 3,00,00,000 |
| Add: Public Issue | 20,04,000 | 2,00,40,000 | - | - |
| Number of shares at the end of the period | 74,04,000 | 7,40,40,000 | 36,00,000 | 3,60,00,000 |

C. The Company has allotted 18,00,000 equity shares of ₹ 10/- each as fully paid up bonus shares in current year by capitalisation of reserves & surplus to the existing shareholders in the ratio of 1:2. No ordinary shares have been reserved for issue under options/contracts/commitments for the sale of shares/disinvestment at the Balance Sheet date. The company has also not allotted any equity shares against consideration other than cash, brought back any shares or issued securities convertible into Equity/Preference shares. Neither are any calls unpaid by any director or officer of the company during the year.

D. The Company has raised ₹ 10,02,00,000 by public issue of 20,04,000 equity shares of ₹ 10 each at a premium of ₹ 40 per share on August 3, 2017.

TERMS AND RIGHTS ATTACHED TO EQUITY SHARES

E. The Company has one class of shares – the Ordinary shares. These shares are of ₹ 10/- each. In respect of every Ordinary share (whether fully or partly paid), voting rights shall be in the same proportion as the capital paid up on such Ordinary share bears to the total paid up Ordinary share capital of the Company. The dividend proposed by Board of Directors (except interim dividend) is subject to approval by shareholders in the Annual General Meetings. The claim of ordinary shareholders on earnings and assets in the event of liquidation, follows all others, in proportion of their shareholdings.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2018

| NOTES | PARTICULARS | Amount (₹) 31-03-2018 | Amount (₹) 31-03-2017 |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 3 | <u>RESERVE AND SURPLUS</u> | | |
| | A. Securities Premium Account | | |
| | Opening Balance | - | 65,00,000 |
| | (+) Security premium credited on Share issue | 8,01,60,000 | - |
| | (-) Bonus Issue Of Shares | - | -65,00,000 |
| | Total A | 8,01,60,000 | - |
| | B. Surplus | | |
| | Opening balance | 4,98,38,813 | 3,54,67,264 |
| | (-) Bonus Issue of shares | (1,80,00,000) | (2,35,00,000) |
| | (+) Net Profit/(Net Loss) For the current year | 4,89,04,880 | 3,78,71,548 |
| | Total B | 8,07,43,693 | 4,98,38,813 |
| | TOTAL (A+B) | 16,09,03,693 | 4,98,38,813 |
| 4 | <u>LONG TERM BORROWING</u> | | |
| | Secured loans from banks | 8,76,54,428 | 1,55,12,884 |
| | Unsecured Loans | | |
| | From Related Parties and Directors | 86,61,023 | 1,06,28,830 |
| | From Banks | 5,44,818 | 17,14,182 |
| | From Body Corporates | - | 70,00,000 |
| | TOTAL | 9,68,60,268 | 3,48,55,896 |
| | Secured Loans are secured by hypothecation of Plant and Machinery, Movable fixed assets and further secured by immovable assets of company and the directors. | | |
| 5 | <u>DEFERRED TAX ASSETS</u> | | |
| | Opening balance(DTA) | - | - |
| | Add: DTA created | - | - |
| | TOTAL | - | - |
| | <u>DEFERRED TAX LIABILITY</u> | | |
| | Opening balance(DTL) | 14,08,098 | 8,68,650 |
| | Add: DTL created | 40,12,381 | 5,39,448 |
| | TOTAL | 54,20,479 | 14,08,098 |
| | Closing (DTL)/DTA | 54,20,479 | 14,08,098 |
| 6 | <u>LONG TERM PROVISIONS</u> | | |
| | Gratuity Payable | 2,11,563 | 1,29,937 |
| | TOTAL | 2,11,563 | 1,29,937 |
| 7 | <u>SHORT TERM BORROWINGS</u> | | |
| | Secured Loans From Banks | 31,55,14,962 | 20,55,22,528 |
| | TOTAL | 31,55,14,962 | 20,55,22,528 |
| | Secured Loans are secured by hypothecation of Factory Building, Plant and Machinery and further secured by existing and future current assets of the company. This includes cash credit limits, EPCL & pledge limits secured against stock of raw material. | | |

| NOTES | PARTICULARS | Amount (₹) 31-03-2018 | Amount (₹) 31-03-2017 | |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------|
| 8 | <u>TRADE PAYABLES</u> | | | |
| | <u>Trade Payable from micro, small and medium enterprises</u> | - | - | |
| | <u>Trade Payable from others</u> | | | |
| | Creditor for Capital Goods | 45,50,287 | 4,26,440 | |
| | Creditor for Goods | 2,69,20,895 | 5,87,851 | |
| | Creditor for Expense | 1,12,08,123 | 9,57,619 | |
| | TOTAL | 4,26,79,305 | 19,71,910 | |
| | The company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small & Medium Enterprises Development Act 2006) claiming their status as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is NIL. | | | |
| 9 | <u>OTHER CURRENT LIABILITIES</u> | | | |
| | Current Maturity of Long Term Borrowing | 1,07,09,733 | 71,18,900 | |
| | Statutory Remittances | 21,38,107 | 29,94,330 | |
| | TOTAL | 1,28,47,840 | 1,01,13,230 | |
| 10 | <u>SHORT TERM PROVISIONS</u> | | | |
| | <u>A. Duties & Taxes</u> | | | |
| | Provision for Income Tax | 2,10,19,691 | 1,82,24,402 | |
| | Provision for Professional Tax | 5,142 | 5,852 | |
| | | Total A | 2,10,24,833 | 1,82,30,254 |
| | <u>B. Provisions</u> | | | |
| | Salary payable | 7,24,876 | 6,49,481 | |
| | Bonus Payable | 1,53,218 | 1,84,012 | |
| | Provision for Audit Fees | 58,500 | 36,067 | |
| | Electricity Payable | 15,31,477 | 18,61,101 | |
| | Telephone exp. Payable | 8,778 | 14,289 | |
| | Director Sitting Fee Payable | 32,000 | - | |
| | Provision for bank interest | 23,28,777 | 11,54,613 | |
| | Other Provisions | 40,97,575 | 20,000 | |
| | | Total B | 89,35,200 | 39,19,563 |
| | TOTAL (A+B) | 2,99,60,034 | 2,21,49,817 | |

SHANTI OVERSEAS (INDIA) LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2018
Note "11" FIXED ASSETS

| Particulars | Gross Block | | | Depreciation | | | | Netblock | | | |
|-----------------------------------------|--------------------|---------------------|--------------------|---------------------|--------------------|--------------------|------------------------|-----------------|--------------------|--------------------|---------------------|
| | Opening Balance | Addition | Deduction | Ason 31.03.18 | Up to 31.03.17 | Current Year | Adjusted with Retained | Deletion | Up to 31.03.2018 | Ason 31.03.2017 | Ason 31.03.18 |
| Factory Building | 52,27,131 | - | - | 52,27,131 | 21,15,657 | 2,94,583 | - | - | 24,10,240 | 31,11,475 | 28,16,892 |
| Battery UPS | 1,49,180 | - | - | 1,49,180 | 1,34,834 | 6,336 | - | - | 1,41,170 | 14,346 | 8,010 |
| Computer | 7,96,584 | 2,26,801 | - | 10,23,385 | 6,01,910 | 1,81,804 | - | - | 7,83,714 | 1,94,674 | 2,39,671 |
| Software | 1,95,200 | 25,000 | - | 2,20,200 | 1,74,355 | 13,118 | - | - | 1,87,473 | 20,845 | 32,727 |
| Fan | 1,500 | 1,499 | - | 2,999 | 1,500 | 174 | - | - | 1,674 | - | 1,325 |
| Generator | 2,33,782 | - | - | 2,33,782 | 1,54,363 | 15,050 | - | - | 1,69,413 | 79,419 | 64,369 |
| Honda Activa | 26,383 | - | - | 26,383 | 24,235 | - | - | - | 24,235 | 2,148 | 2,148 |
| Inverter | 20,600 | - | - | 20,600 | 17,447 | 1,452 | - | - | 18,899 | 3,153 | 1,701 |
| Mobile | 3,62,887 | 3,05,745 | - | 6,68,632 | 2,38,973 | 1,17,076 | - | - | 3,56,049 | 1,23,914 | 3,12,583 |
| Factory Shed | 61,779 | - | - | 61,779 | 5,869 | 5,311 | - | - | 11,180 | 55,910 | 50,599 |
| Office Equipment | 2,49,841 | - | - | 2,49,841 | 1,21,473 | 57,212 | - | - | 1,78,684 | 1,28,368 | 71,157 |
| Office Furniture | 3,99,605 | 5,49,319 | - | 9,48,924 | 3,10,671 | 56,510 | - | - | 3,67,181 | 88,934 | 5,81,743 |
| Plant & Machinery | 4,57,94,718 | 11,27,844 | 10,00,000 | 4,59,22,562 | 97,56,508 | 65,77,067 | - | - | 1,63,33,575 | 3,60,38,210 | 2,95,88,987 |
| Printer | 13,750 | 12,750 | - | 26,500 | 13,062 | 7,281 | - | - | 20,343 | 688 | 6,157 |
| Scooter | 36,033 | - | - | 36,033 | 31,973 | - | - | - | 31,973 | 4,061 | 4,061 |
| Electrical Equipment | 3,34,073 | 1,90,991 | - | 5,25,064 | 1,08,295 | 1,01,065 | - | - | 2,09,360 | 2,25,778 | 3,15,704 |
| UPS | 3,810 | - | - | 3,810 | 3,810 | - | - | - | 3,810 | - | - |
| Car Toyota Innova | 24,52,348 | - | - | 24,52,348 | 7,65,868 | 5,26,688 | - | - | 12,92,556 | 16,86,480 | 11,59,792 |
| Weighing scale | 54,577 | - | - | 54,577 | 34,524 | 3,904 | - | - | 38,428 | 20,053 | 16,149 |
| Camera & Security System | 3,66,649 | 17,324 | - | 3,83,973 | 2,96,043 | 31,964 | - | - | 3,28,007 | 70,606 | 55,966 |
| EPABX System | 23,961 | - | - | 23,961 | 22,405 | 358 | - | - | 22,763 | 1,556 | 1,198 |
| LCD | 18,990 | - | - | 18,990 | 17,750 | 291 | - | - | 18,041 | 1,240 | 949 |
| Cylinder | 1,43,000 | - | - | 1,43,000 | 85,106 | 10,822 | - | - | 95,928 | 57,894 | 47,072 |
| Sewing Machine | 27,429 | 5,800 | - | 33,229 | 9,392 | 4,067 | - | - | 13,459 | 18,037 | 19,770 |
| Car Cruze | 17,62,650 | - | - | 17,62,650 | 12,02,092 | 1,42,107 | - | - | 13,44,199 | 5,60,558 | 4,18,451 |
| Car Jazz | 9,81,974 | - | - | 9,81,974 | 3,06,670 | 2,10,897 | - | - | 5,17,567 | 6,75,304 | 4,64,407 |
| Land | 2,55,80,229 | - | - | 2,55,80,229 | - | - | - | - | - | 2,55,80,229 | 2,55,80,229 |
| Jeep Compass | - | 23,97,117 | - | 23,97,117 | - | 3,37,501 | - | - | 3,37,501 | - | 20,59,616 |
| Plant Construction(P&M) | - | 6,99,51,876 | 1,60,00,092 | 5,39,51,784 | - | 1,60,525 | - | - | 1,60,525 | - | 5,37,91,259 |
| Plant Construction(Building) | - | 7,22,64,305 | 52,39,908 | 6,70,24,397 | - | 1,04,668 | - | - | 1,04,668 | - | 6,69,19,729 |
| Plant Construction(Electrical fittings) | - | 46,48,269 | - | 46,48,269 | - | 19,783 | - | - | 19,783 | - | 46,28,486 |
| Current Year | 8,53,18,664 | 15,17,24,640 | 2,22,40,000 | 21,48,03,304 | 1,65,54,787 | 89,87,614 | - | - | 2,55,42,400 | 6,87,63,877 | 18,92,60,904 |
| Previous Year | 6,70,18,034 | 2,09,46,749 | 26,46,120 | 8,53,18,663 | 65,20,235 | 1,05,07,692 | - | 4,73,140 | 1,65,54,786 | 6,04,97,799 | 6,87,63,877 |

| NOTES | PARTICULARS | Amount (₹) 31-03-2018 | Amount (₹) 31-03-2017 |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| 12 | NON CURRENT INVESTMENT <u>Investment in Equity Instruments</u> 100 % wholly owned Subsidiary(Unquoted & Fully paid-up) Investment In Biograin Protinex Pvt. Ltd. (10000 Equity Shares @ 10/- per shares) Investment In Shaan Agro oils & Extractions Pvt. Ltd. (4560000 Equity Shares @ 10/- per shares) | 1,00,000 4,56,00,000 | 1,00,000 1,00,000 |
| | TOTAL | 4,57,00,000 | 2,00,000 |
| 13 | <u>LONG TERM LOANS & ADVANCES</u> <u>Unsecured, considered good</u> Security Deposits Others | 50,14,797 16,70,300 | 22,23,959 11,91,300 |
| | TOTAL | 66,85,097 | 34,15,259 |
| 14 | <u>OTHER NON CURRENT ASSET</u> <u>Preliminary Expenses</u> IPO Expenses Less : Written off during the year | 1,01,16,920 (13,48,923) | - - |
| | TOTAL | 87,67,997 | - |
| 15 | <u>INVENTORIES (AS TAKEN, VALUED AND CERTIFIED BY THE MANAGEMENT)</u> <u>Finished Goods</u> Soyabean Meal Soyabean Oil Soya Lecithin FM/Mitti <u>Raw Material</u> Soyabean <u>Stock-in-trade</u> Soyabean Rice | 26,40,701 6,43,987 29,52,496 4,93,775 22,24,67,975 - 18,47,818 | 3,75,87,155 11,87,475 30,08,938 37,564 5,65,25,622 10,77,120 - |
| | TOTAL | 23,10,46,753 | 9,94,23,875 |
| 16 | <u>TRADE RECEIVABLES</u> <u>Unsecured, Considered good</u> <u>Export Debtor</u> More than six month Less than six month <u>Domestic Debtor</u> More than six month Less than six month | - 12,61,30,102 6,39,149 2,57,55,097 | - 13,23,91,577 - 29,35,516 |
| | TOTAL | 15,25,24,348 | 13,53,27,093 |
| 17 | <u>CASH AND CASH EQUIVALENT</u> Balances with Bank Cash in Hand Bank deposits with more than twelve months maturity | 27,92,427 98,591 1,07,66,970 | 9,40,107 2,88,547 1,23,94,308 |
| | TOTAL | 1,36,57,988 | 1,36,22,961 |

| NOTES | PARTICULARS | Amount (₹) 31-03-2018 | Amount (₹) 31-03-2017 | |
|-------------|----------------------------------------------------|--------------------------|--------------------------|---------------------|
| 18 | <u>SHORT TERM LOANS AND ADVANCES</u> | | | |
| | <u>Secured, considered good</u> | | | |
| | Advance EMI - RBL | - | 1,22,890 | |
| | HDFC Bank Treasury | - | 3,21,000 | |
| | <u>Unsecured, considered good</u> | | | |
| | <u>Others</u> | | | |
| | Staff Loans & advances | 1,25,894 | 62,097 | |
| | Advances to Suppliers | 44,40,712 | 4,88,518 | |
| | Prepaid Expense | 3,14,005 | 5,94,171 | |
| | Other Advances | 88,23,375 | 2,62,379 | |
| | <u>Related Parties Balances</u> | | | |
| | Shaan Agro Oils & Extractions Pvt. Ltd. | 1,89,15,324 | 14,929 | |
| | <u>Balances with Government Authorities</u> | | | |
| Advance Tax | 1,35,00,000 | 1,25,00,000 | | |
| Others | 3,00,01,456 | 1,05,65,570 | | |
| | TOTAL | 7,61,20,766 | 2,49,31,554 | |
| 19 | <u>OTHER CURRENT ASSETS</u> | | | |
| | Export Incentive (MEIS Scheme) | 1,23,04,736 | 99,59,246 | |
| | Accrued Interest on FD | 3,80,076 | 3,17,202 | |
| | Interest Receivable | 10,371 | 86,670 | |
| | Interest Subsidy Receivable | 16,76,925 | 6,57,192 | |
| | Quarterly Incremental License | 3,02,182 | 3,02,182 | |
| | TOTAL | 1,46,74,290 | 1,13,22,492 | |
| 20 | <u>REVENUE FROM OPERATIONS</u> | | | |
| | <u>A. Sale of products:</u> | | | |
| | <u>(i) Trading Goods</u> | | | |
| | Kabuli chana | 4,19,68,660 | 7,57,23,371 | |
| | Soyabean | 11,29,38,788 | 12,19,39,910 | |
| | Black Eye Beans | 4,54,56,625 | - | |
| | Red Cowpeas | 1,02,32,209 | - | |
| | Rice | 8,13,24,646 | - | |
| | Soyabean Meal | 76,87,500 | - | |
| | Moong | - | 41,61,185 | |
| | Red Lentil | 45,88,290 | - | |
| | | Total (i) | 30,41,96,717 | 20,18,24,466 |
| | <u>(ii) Manufacturing Goods</u> | | | |
| | Soyabean Crude Oil | 19,06,07,577 | 15,28,91,129 | |
| | Soyabean Meal | 74,89,34,269 | 71,53,63,354 | |
| | FM/Mitti | 7,52,475 | 11,80,204 | |
| | Soya Lecithin | 22,50,270 | 67,32,200 | |
| | Total (ii) | 94,25,44,590 | 87,61,66,887 | |
| | Total A (i+ii) | 1,24,67,41,308 | 1,07,79,91,353 | |

| NOTES | PARTICULARS | Amount (₹) 31-03-2018 | Amount (₹) 31-03-2017 |
|-----------|-------------------------------------------|--------------------------|--------------------------|
| | <u>B. Other Operating Revenue:</u> | | |
| | Duty Drawback Receivable | 12,34,119 | 81,32,131 |
| | Export Incentive | 1,82,19,734 | 3,44,70,612 |
| | Foreign Exchange Fluctuation | 2,07,59,685 | 1,28,08,133 |
| | Profit from Dollar Hedging | 1,65,73,897 | 26,42,136 |
| | Profit from NCDEX | 2,70,03,423 | (4,76,35,377) |
| | Income from Job Work | 48,80,712 | 16,88,756 |
| | Qty Claim & Discount Received | 68,74,563 | 82,73,758 |
| | Shortage, Quantity & Rate Difference | 7,95,899 | 6,75,444 |
| | Total B | 9,63,42,034 | 2,10,55,594 |
| | TOTAL (A+B) | 1,34,30,83,341 | 1,09,90,46,946 |
| 21 | <u>OTHER INCOME</u> | | |
| | Income from Weighbridge | 65,990 | - |
| | Interest from MPSEB | 99,204 | 79,572 |
| | Interest on FDR | 8,08,330 | 6,34,938 |
| | Profit & Loss from sale of car | - | 27,042 |
| | Interest Received | 3,500 | 50,000 |
| | VAT Receivable | - | 36,45,825 |
| | Service Tax receivable | - | 11,52,435 |
| | Settlement | - | 18,03,330 |
| | Sundry Balances Written Off | 45,550 | 9,48,734 |
| | Lease Rent Received | 14,70,000 | - |
| | Other Income | 920 | - |
| | TOTAL | 24,93,495 | 83,41,876 |
| 22 | <u>COST OF MATERIAL CONSUMED</u> | | |
| | <u>Soyabean</u> | | |
| | Opening Stock | 5,65,25,622 | 85,01,700 |
| | Add: Purchases/ Transfer | 91,20,34,520 | 69,70,11,544 |
| | Add: Direct Expenses | 7,96,75,679 | 7,99,20,097 |
| | Less: Closing Stock | (22,24,67,975) | (5,65,25,622) |
| | TOTAL | 82,57,67,845 | 72,89,07,719 |
| 23 | <u>PURCHASE</u> | | |
| | Stock-in-trade | | |
| | Kabuli chana | 4,04,09,621 | 4,58,57,072 |
| | Soyabean | 10,14,97,367 | 7,26,84,285 |
| | Moong | - | 47,16,074 |
| | Soyabean Oil | - | 53,44,970 |
| | Soyabean Meal | 76,87,500 | 1,40,520 |
| | Black Eye Beans | 4,08,68,918 | - |
| | Cow Peas | 93,57,366 | - |
| | Red Lentils | 51,80,589 | - |
| | Rice | 7,09,39,090 | - |
| | TOTAL | 27,59,40,451 | 12,87,42,921 |

| NOTES | PARTICULARS | Amount (₹) 31-03-2018 | Amount (₹) 31-03-2017 |
|-------|----------------------------------------------------------------------|--------------------------|--------------------------|
| 24 | <u>CHANGES IN INVENTORIES</u> | | |
| | <u>Finished Goods</u> | | |
| | Opening Stock | 4,18,21,133 | 6,71,53,724 |
| | Closing Stock | 67,30,960 | 4,18,21,133 |
| | (Increase)/Decrease | 3,50,90,173 | 2,53,32,591 |
| | <u>Stock-in-trade</u> | | |
| | Opening Stock | 10,77,120 | 6,04,31,844 |
| | Closing Stock | 18,47,818 | 10,77,120 |
| | (Increase)/Decrease | (7,70,698) | 5,93,54,724 |
| | Net (Increase)/Decrease | 3,43,19,475 | 8,46,87,315 |
| 25 | <u>EMPLOYEE BENEFIT EXPENSE</u> | | |
| | Bonus Expense | 3,09,721 | 4,52,122 |
| | Salaries | 95,11,414 | 61,03,513 |
| | Gratuity | 81,626 | 1,29,937 |
| | Staff Welfare Expense | 3,98,043 | 3,37,763 |
| | ESIC, Leave Encashment, Medical, PF | 6,59,776 | 6,76,745 |
| | <u>Remuneration of Directors and Key Managerial Personnel</u> | | |
| | Salary to whole time directors | 1,44,00,000 | 1,26,00,000 |
| | Director Sitting Fee | 32,000 | - |
| | TOTAL | 2,53,92,580 | 2,03,00,080 |
| 26 | <u>FINANCE COST</u> | | |
| | <u>Interest</u> | | |
| | Bank Interest | 1,73,30,300 | 1,48,35,293 |
| | Interest on Term Loan | 3,66,080 | 5,82,765 |
| | Interest on Car Loan | 1,63,727 | 61,252 |
| | Interest on Unsecured Loan | 21,00,234 | 54,63,020 |
| | Interest on Income Tax | 3,10,737 | 1,11,452 |
| | Interest Paid to Suppliers | 1,34,509 | - |
| | Others | | |
| | Bank Charges | 34,14,751 | 23,15,969 |
| | Processing Fees | 13,22,446 | 8,08,485 |
| | TOTAL | 2,51,42,784 | 2,41,78,234 |
| 27 | <u>OTHER EXPENSES</u> | | |
| | <u>Administrative, Selling & Other Expenses</u> | | |
| | <u>Administrative Expense</u> | | |
| | Auditors Remuneration* | 65,000 | 40,075 |
| | Advertisement Expenses | 5,48,000 | 3,55,851 |
| | Business Promotion Expense | 4,54,261 | 2,74,929 |
| | Brokerage & Professional Expense | 1,36,65,045 | 1,43,17,183 |
| | Conveyance Expense | 4,17,450 | 4,90,752 |
| | Computer Repair & Maintenance | 1,04,581 | 1,35,890 |
| | Factory Repair & Maintenance | 61,728 | 38,660 |
| | Factory Expenses | 2,73,007 | - |
| | Insurance expense | 4,55,999 | 2,38,681 |
| | Interest & Penalty on duty drawback | 4,108 | 26,592 |
| | Legal Expense | 16,75,676 | 2,61,719 |
| | Professional Tax | 10,000 | 10,000 |

| NOTES | PARTICULARS | Amount (₹) 31-03-2018 | Amount (₹) 31-03-2017 |
|-----------|-----------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| | Preliminary Expenses Written off | 13,75,107 | - |
| | Office Maintenance Expense | 60,903 | 25,440 |
| | Discount | 1,08,478 | 6,60,100 |
| | Office Expense | 4,23,604 | 85,505 |
| | Postage & Stamp Charges | 1,68,992 | 1,88,193 |
| | Electricity Expenses | 1,92,740 | 3,60,002 |
| | Office Rent | 5,56,000 | 4,33,123 |
| | Stationery & Printing Expense | 1,31,203 | 1,68,098 |
| | Vehicle Repair & Maintenance | 79,252 | 89,194 |
| | Telephone Expense | 3,36,379 | 3,12,985 |
| | Travelling Expense | 39,54,210 | 14,28,395 |
| | TOTALA. | 2,51,21,722 | 1,99,41,368 |
| | *Auditor's Remuneration | | |
| | Statutory Audit | 40,000 | 22,900 |
| | Tax Audit | 25,000 | 17,175 |
| | Total | 65,000 | 40,075 |
| | (All amounts are exclusive of Goods and Service Tax) | | |
| | <u>Selling Expense</u> | | |
| | Export Expense | 3,55,37,850 | 2,36,95,091 |
| | Commision charges | 9,51,760 | 22,07,024 |
| | Discount on export | - | 2,07,012 |
| | Sampling Expense | 13,52,468 | 5,15,820 |
| | Freight on Sales | 1,22,92,332 | 54,95,047 |
| | Quality & Rate Difference | 3,44,927 | 3,58,884 |
| | TOTALB | 5,04,79,337 | 3,24,78,878 |
| | <u>Other Expense</u> | | |
| | Donation | - | 5,100 |
| | Entry Tax on assessment | 801 | 1,98,259 |
| | Other Interest & Late Fees | 64,452 | 58,727 |
| | Repair & Maintanance | - | 3,690 |
| | Membership Fees | 34,370 | 40,794 |
| | Service Tax | 2,46,682 | 6,59,362 |
| | Shortage (Soyabean Oil) | 75,572 | 43,287 |
| | VAT | 1,150 | - |
| | Income Tax A.Y. 2015-16 | 65,050 | - |
| | TOTALC | 4,88,077 | 10,09,218 |
| | TOTAL(A+B+C) | 7,60,89,136 | 5,34,29,463 |
| 28 | <u>EARNING PER SHARE</u> | | |
| | Profit during the year | 4,89,04,880 | 3,78,71,548 |
| | Number of shares at the end of the period* | 66,90,246 | 54,00,000 |
| | Basic EPS | 7.31 | 7.01 |
| | Diluted EPS | 7.31 | 7.01 |
| | *Previous year's EPS has been restated after taking the effect of bonus shares(18,00,000 in number) | | |
| | *Current Year's No. of Shares at the end has been taken on the basis of Weighted Average Method. | | |
| 29 | <u>EARNINGS IN FOREIGN EXCHANGE</u> | | |
| | F.O.B. Value of Exports | 44,20,09,268 | 85,87,08,033 |
| | Foreign Exchange Earnings | 2,07,59,685 | 1,28,08,133 |
| | TOTAL | 46,27,68,953 | 87,15,16,166 |

**SUB SCHEDULE ON NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31st MARCH 2018**

| NOTES | PARTICULARS | Amount (₹) 31-03-2018 | Amount (₹) 31-03-2017 |
|-------|-------------------------------|--------------------------|--------------------------|
| 1 | <u>Direct Expenses</u> | | |
| | Bardan Repairing Expense | 5,62,808 | 3,02,710 |
| | Brokerage on Purchase | 22,70,799 | 10,13,312 |
| | Cold Storage Rent | 72,632 | 2,30,234 |
| | Factory Rent | 23,99,050 | 21,15,500 |
| | Factory Expense | 6,61,834 | 14,16,620 |
| | Packing Material Purchase | 1,10,54,324 | 71,75,790 |
| | Mandi Godown Rent | 1,34,200 | 1,26,000 |
| | Power & Fuel Expense | 2,01,42,084 | 1,63,32,538 |
| | Cartage Expense | 28,465 | 5,50,538 |
| | Mandi Tax | 7,83,159 | 16,34,295 |
| | Freight Expense | 1,83,80,478 | 2,93,67,359 |
| | Wages | 1,20,74,074 | 85,68,059 |
| | Mandi Expense | 22,100 | 14,040 |
| | Processing Expense | 3,76,876 | 31,25,459 |
| | Plant and Machinery Rent | 24,78,515 | 27,48,000 |
| | Warehousing Rent Expense | 28,93,468 | 13,37,341 |
| | Sampling Expense | 3,46,743 | 19,40,541 |
| | Insurance of Stock | 1,49,503 | 1,64,162 |
| | Plant and Machinery Expenses | 28,88,053 | 17,57,600 |
| | Import Expense | 19,56,513 | - |
| | TOTAL | 7,96,75,679 | 7,99,20,097 |

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SHANTI OVERSEAS (INDIA) LIMITED

Report on Consolidated Financial Statements

We have examined the Consolidated Financial Statements of Shanti Overseas (India) Limited (hereinafter referred as “the Company”), and its subsidiaries (The Holding Company and its subsidiaries together referred to as “the Group”), which comprise of the Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and the Statement of Cash Flows for the year then ended on March 31, 2018 and the Summary of the Significant accounting policies and other explanatory information .

Management’s Responsibility for the Financial Statements

The Holding Company’s Board of Directors is responsible for these Consolidated Financial Statements in terms of the requirements 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 consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its subsidiaries in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Group and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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.

In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, 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.

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor’s Report) Order, 2016, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013 (hereinafter referred to as the Order”), we give in the **Annexure ‘A’** a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

In our opinion proper books of account as required by law have been kept by the Holding Company so far as appears from our examination of those books.

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

On the basis of written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.

With respect to the adequacy of internal financial controls over financial reporting of the Holding Company and operating effectiveness of such controls, refer our separate report in **Annexure-B**.

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:

- The Holding Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
- There has been no transfer of funds to the Investor Education and Protection Fund by the Holding Company.

As required by section 143(5) of the Act (Page 33 of Annual report)

For **Muchhal & Gupta**

Chartered Accountants

FRN: 004423C

Prakash Chandra Gupta

Partner

Membership No. 073011

Place: Indore

Date: 28/05/2018

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

With reference to the Annexure referred in our report of even date to the members of Shanti Overseas (India) Limited for the year ended on 31st March 2018, we report that, in our opinion and to the best of our information and explanations furnished to us and the books and records examined by us in the normal course of Audit:

(1) In Respect of Fixed Assets

- (a) The holding company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regards to the size of the holding company and nature of its assets. We were informed that no material discrepancies were noticed on such physical verification.
- (c) The title deeds of immovable properties are held in the name of the Company.

(2) In Respect of Inventories

Physical verification of inventory has been conducted at reasonable intervals by the management. The Holding company has maintained proper records of inventory. No material discrepancies were noticed on verification.

(3) Compliance under section 189 of The Companies Act, 2013

In our opinion and according to the information provided to us, the holding company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register-maintained u/s 189 of the companies Act-2013.

- (a) N.A.
- (b) N.A.
- (c) N.A.

(4) Compliance under section 185 and 186 of The Companies Act, 2013

In our opinion and according to the information provided to us, while doing transaction for loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

(5) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed thereunder while accepting Deposits

In our opinion and according to the information provided to us, no deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the act and the rules framed thereunder have been accepted by the Holding company.

(6) Maintenance of cost records

In our opinion and according to the information provided to us, the holding company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

(7) Deposit of Statutory Dues

- (a) According to the records of the holding company, the holding company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales, tax wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to the Holding company with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) In our opinion and according to the information provided to us, there is no dispute pending with the revenue authorities regarding any duty or tax payable.

(8) Repayment of Loans and Borrowings

In our opinion and according to the information provided to us, the holding company has not defaulted in repayment of dues to financial institution, or a bank.

(9) **Utilization of Money Raised by Public Offers and Term Loan For which they Raised**

The holding company has raised money by way of term loans and public offer and the same was applied for the purpose for which it has been raised.

(10) **Reporting of Fraud During the Year**

Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.

(11) **Managerial Remuneration**

Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

(12) **Compliance by Nidhi company Regarding Net Owned Fund to Deposits Ratio**

As per information and records available with us the holding company is not Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.

(13) **Related party compliance with Section 177 and 188 of companies Act - 2013**

According to the information and explanation given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(14) **Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures**

The holding company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(15) **Compliance under section 192 of Companies Act – 2013**

The holding company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.

(16) **Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934**

The holding company is not required to be registered under section 45-IA of the Reserve Bank of India Act.

For **Muchhal & Gupta**

Chartered Accountants

FRN: 004423C

Prakash Chandra Gupta

Partner

Membership No. 073011

Place: Indore

Date: 28/05/2018

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1(f) of the Independent Auditors' Report of even date to the members of Shanti Overseas (India) Limited on the financial statements for the year ended March 31, 2018.

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

1. We have audited the internal financial controls over financial reporting of Shanti Overseas (India) Limited ("the Holding Company") as of March 31, 2018 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

2. **Management's Responsibility for Internal Financial Controls**

The Holding 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 Act.

3. **Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.

4. 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.

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

6. **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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

7. **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.

8. **Opinion**

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Notes on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Muchhal & Gupta**

Chartered Accountants

FRN: 004423C

Prakash Chandra Gupta

Partner

Membership No. 073011

Place: Indore

Date: 28/05/2018

SHANTI OVERSEAS (INDIA) LTD.
CIN : L51211MP2011PLC025807
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2018

| Particulars | Notes | Amount (₹) 31.03.2018 | Amount (₹) 31.03.2017 |
|-----------------------------------------|-------|--------------------------|--------------------------|
| I. <u>EQUITY AND LIABILITIES</u> | | | |
| 1 Shareholders' Funds | | | |
| (a) Share Capital | 2 | 7,40,40,000 | 3,60,00,000 |
| (b) Reserves and Surplus | 3 | 15,94,33,692 | 4,98,38,813 |
| 2 Non-Current Liabilities | | | |
| (a) Long term Borrowings | 4 | 14,44,60,468 | 3,50,56,096 |
| (b) Deffered Tax Liability (Net) | 5 | 54,20,479 | 14,08,098 |
| (c) Long term Provisions | 6 | 2,11,563 | 1,28,977 |
| 3 Current Liabilities | | | |
| (a) Short term Borrowings | 7 | 31,55,14,963 | 20,55,22,528 |
| (b) Trade Payables | 8 | 5,83,90,364 | 19,71,910 |
| (c) Other Current Liabilities | 9 | 1,55,49,750 | 1,01,13,230 |
| (d) Short term Provisions | 10 | 3,05,10,985 | 2,21,72,777 |
| TOTAL | | 80,35,32,262 | 36,22,12,430 |
| II. <u>ASSETS</u> | | | |
| 1 Non-Current Assets | | | |
| (a) Fixed Assets: | | | |
| (i) Tangible Assets | 11 | 18,92,60,904 | 6,87,63,877 |
| (ii) Capital Work-in-progress | 12 | 9,52,10,261 | 49,83,119 |
| (b) Long term Loans and Advances | 13 | 72,65,097 | 34,15,259 |
| (c) Other Non Current Assets | 14 | 1,35,66,667 | 1,66,490 |
| 2 Current Assets | | | |
| (a) Inventories | 15 | 24,03,07,753 | 9,94,23,875 |
| (b) Trade Receivables | 16 | 15,25,24,348 | 13,53,27,093 |
| (c) Cash and Bank Balance | 17 | 1,48,57,021 | 1,38,93,600 |
| (d) Short term Loans and Advances | 18 | 7,58,65,922 | 2,49,16,625 |
| (e) Other Current Assets | 19 | 1,46,74,290 | 1,13,22,492 |
| TOTAL | | 80,35,32,262 | 36,22,12,430 |

Significant Accounting Policies & Disclosures Note 1
Notes to Accounts Note No. 2-30

For & on Behalf of the Board
SHANTI OVERSEAS (INDIA) LTD.

As per our Report of even date annexed
For M/S MUCHHAL & GUPTA
Chartered Accountants

Mukesh Kacholia
Managing Director
DIN:00376922

Ayush Kacholia
Director
DIN:03096933

Ramita Otwani
Company Secretary
M.No. 28101

Prakash C. Gupta
(Partner)
M.No.: 073011
FRN: 004423C

Date : 28/05/2018
Place : Indore

SHANTI OVERSEAS (INDIA) LTD.

CIN : L51211MP2011PLC025807

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st MARCH, 2018

| Particulars | Notes | Amount (₹) | |
|-------------------------------------------------------------|-------|-----------------------|-----------------------|
| | | 31.03.2018 | 31.03.2017 |
| I. Revenue from operations | 20 | 1,33,38,22,341 | 1,09,90,46,946 |
| II. Other Income | 21 | 10,23,495 | 83,41,876 |
| III. Total Revenue (I+II) | | 1,33,48,45,836 | 1,10,73,88,822 |
| IV. <u>Expenses:</u> | | | |
| Cost of materials consumed | 22 | 82,57,67,845 | 72,89,07,719 |
| Purchase of Stock-in-Trade | 23 | 27,59,40,451 | 12,87,42,921 |
| Changes in inventories of finished goods and Stock-in-Trade | 24 | 2,50,58,475 | 8,46,87,315 |
| Employee benefits expense | 25 | 2,53,92,580 | 2,03,00,080 |
| Finance costs | 26 | 2,51,42,784 | 2,41,78,234 |
| Depreciation and amortization expense | 10 | 89,87,614 | 1,05,07,692 |
| Other expenses | 27 | 7,60,24,086 | 5,34,29,463 |
| Total Expenses | | 1,26,23,13,835 | 1,05,07,53,423 |
| V. Profit before extraordinary Items & tax (A-B) | | 7,25,32,002 | 5,66,35,399 |
| VI. Add/Less: Extraordinary Items | | - | - |
| VII. Profit Before Tax | | 7,25,32,002 | 5,66,35,399 |
| VIII. <u>Tax Expenses</u> | | | |
| (a) Current Tax | 28 | 2,10,84,741 | 1,82,24,402 |
| (b) Deferred Tax Liabilities/(Assets) | | 40,12,381 | 5,39,448 |
| IX. Profit for the year | | 4,74,34,880 | 3,78,71,548 |
| X. Earning Per Equity Share | | | |
| Basic | 29 | 7.09 | 7.01 |
| Diluted | 29 | 7.09 | 7.01 |

Significant Accounting Policies & Disclosures Note 1
Notes to Accounts Note No. 2-30

For & on Behalf of the Board
SHANTI OVERSEAS (INDIA) LTD.

Mukesh Kacholia
Managing Director
DIN:00376922

Ayush Kacholia
Director
DIN:03096933

Ramita Otwani
Company Secretary
M.No. 28101

As per our Report of even date annexed
For M/S MUCHHAL & GUPTA
Chartered Accountants

Prakash C. Gupta
(Partner)
M.No.: 073011
FRN: 004423C

Date : 28/05/2018
Place : Indore

SHANTI OVERSEAS (INDIA) LTD.
CIN : L51211MP2011PLC025807
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED ON 31ST MARCH, 2018

| Particulars | As on 31.03.2018 Amount (₹) | As on 31.03.2018 Amount (₹) | As on 31.03.2017 Amount (₹) | As on 31.03.2017 Amount (₹) |
|---------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit Before Tax | 7,25,32,002 | | 5,66,35,399 | |
| Adjustments for: | | | | |
| Depreciation | 89,87,614 | | 1,05,07,692 | |
| Interest & Finance Charges | 2,51,42,784 | | 2,41,78,234 | |
| Interest on Deposit | (8,08,330) | | (6,34,938) | |
| Interest Received | (3,500) | | (50,000) | |
| (Profit)/Loss On sale of fixed Asset | - | | (27,042) | |
| Decrease/(Increase) in Non-Current Assets | (1,34,00,177) | | (1,66,490) | |
| Operating Profit before Working Capital Changes | 9,24,50,392 | | 9,04,42,855 | |
| Adjustments for: | | | | |
| Decrease/(Increase) in Receivables | (1,71,97,255) | | (2,09,42,725) | |
| Decrease/(Increase) in Inventories | (14,08,83,878) | | 3,66,63,393 | |
| Increase/(Decrease) in Payables | 5,64,18,454 | | (1,73,35,793) | |
| Increase/(Decrease) in Short Term Provision | 83,38,207 | | 1,11,99,020 | |
| Decrease/(Increase) in Other Current Assets | (33,51,798) | | 22,96,585 | |
| Increase/(Decrease) in Other Current Liabilities | 54,36,520 | | (3,47,920) | |
| Increase/(Decrease) in Long Term Provision | 82,586 | | 1,28,977 | |
| Decrease/(Increase) in Long term Advances | (38,49,838) | | (4,27,780) | |
| Decrease/(Increase) in Short term Advances | (5,09,49,297) | | (90,59,100) | |
| Cash generated from operations | (5,35,05,907) | | 9,26,17,512 | |
| Income Tax paid | 2,10,84,741 | | 1,82,24,402 | |
| Net Cash flow from Operating activities | | (7,45,90,648) | | 7,43,93,110 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Increase in Investments | | | | |
| Interest on Deposit | 8,08,330 | | 6,34,938 | |
| Increase in Fixed Assets (Net) | (21,97,11,783) | | (2,37,29,847) | |
| Interest Received | 3,500 | | 50,000 | |
| Net Cash used in Investing activities | | (21,88,99,953) | | (2,30,44,909) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from issue of Shares | 10,02,00,000 | | | |
| Increase in Long term Borrowings | 10,94,04,372 | | (4,71,99,851) | |
| Increase in Short term Borrowings | 10,99,92,433 | | 2,66,31,339 | |
| Interest paid | (2,51,42,784) | | (2,41,78,234) | |
| Net Cash used in financing activities | | 29,44,54,021 | | (4,47,46,747) |
| Net increase in Cash & Cash Equivalents (A+B+C) | | 9,63,421 | | 66,01,454 |
| Cash and Cash equivalents as at 01.04.2017 | | 1,38,93,600 | | 72,92,146 |
| Cash and Cash equivalents as at 31.03.2018 | | 1,48,57,021 | | 1,38,93,600 |
| Cash & Cash Equivalents | | As on 31.03.2018 | | As on 31.03.2017 |
| i Cash on Hand | | 1,47,546 | | 3,32,847 |
| ii Cash at Bank | | 39,42,505 | | 11,66,446 |
| iii Bank deposits with more than twelve months maturity | | 1,07,66,970 | | 1,23,94,308 |
| Cash & Cash equivalents as stated (i+ii+iii) | | 1,48,57,021 | | 1,38,93,600 |

For & on Behalf of the Board
SHANTI OVERSEAS (INDIA) LTD.

As per our Report of even date annexed
For M/S MUCHHAL & GUPTA
Chartered Accountants

Mukesh Kacholia
Managing Director
DIN:00376922

Ayush Kacholia
Director
DIN:03096933

Ramita Otvani
Company Secretary
M.No. 28101

Prakash C. Gupta
(Partner)
M.No.: 073011
FRN: 004423C

Date : 28/05/2018

NOTE - 1**SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE CONSOLIDATED SUMMARY OF STATEMENTS****A. BACKGROUND**

Shanti Overseas (India) Limited having registered office at 215-216 Vikram Tower, 1st Floor, Sapna Sangeeta Road, Indore was originally formed and registered as a partnership firm under the Partnership Act in the name and style of “M/s Shanti Overseas”, pursuant to a deed of partnership dated November 15, 2004. “M/s Shanti Overseas” was thereafter converted from a partnership firm to a private limited company under Part IX of the Companies Act, 1956 with the name of “Shanti Overseas (India) Private Limited” vide certificate of incorporation received on April 18, 2011 from Registrar of Companies, Madhya Pradesh. Subsequently, the Company was converted into a public limited company vide fresh Certificate of Incorporation dated January 20, 2017 issued by the Registrar of Companies, Gwalior. The company is listed on NSE EMERGE platform via initial public offer on August 3, 2017. Shanti Overseas (India) Limited is engaged in primary processing and trading of agri commodities and Manufacturing of Soya Products such as Soya bean Meal, Crude Oil and Organic Soya Lecithin.

The Company has two wholly owned Subsidiaries namely Shaan Agro Oils & Extractions Private Limited (incorporated on February 14, 2017) and Biograin Protinex Private Limited (incorporated on May 31, 2016).

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (1-20)**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Consolidated Statement of Assets and Liabilities of the Company as on March 31, 2018 and the Consolidated Summary Statement of Profit and Loss and Consolidated Summary Statements of Cash Flows for the year ended on March 31, 2018, and the annexure thereto (collectively, the “Consolidated Financial Statements” or “Consolidated Summary Statements”) have been extracted by the management from the Consolidated Financial Statements of the Company for the year ended on March 31, 2018.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

1.1 Principles of Consolidation

The Consolidated Financial Statements are related to Shanti Overseas (India) Limited (“the Holding Company”), and its subsidiaries. The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the subsidiary companies used in the consolidation are drawn up to the same date as that of the Holding Company i.e. 31st March, 2018.
- The financial statements of the Holding Company and its subsidiaries have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income, expenses after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses in accordance with Accounting Standard (AS) 21- “Consolidated Financial Statements”.
- Following Subsidiaries have been considered in the preparation of the Consolidated Financial Statements:

| Name of the Entity | Relationship | % of holding and voting power directly or indirectly through subsidiary as at 31st March 2018 |
|----------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------|
| Shaan Agro Oils & Extraction Private Limited | Subsidiary | 100 % |
| Biograin Protinex Private Limited | Subsidiary | 100 % |

2. USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. INVENTORIES

- a) The cost of inventories comprises all costs of purchase including duties and taxes (other than those subsequently recoverable from the taxing authorities), conversion cost and other costs incurred in bringing the inventories to their present location and condition.
- b) The inventories are valued at the lower of cost on Weighted Average FIFO and the net realisable value after providing for obsolescence and other losses, where considered necessary.

4. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with bank. Cash equivalents are short term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amount of cash and which are subject to insignificant risk of changes in value.

5. CASH FLOW

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

6. FIXED ASSETS

The company has adopted cost model as prescribed in Accounting Standard AS-10 (Revised) “Property, Plant & Equipment”.

Recognition

The cost of an item of property, plant and equipment is recognized as an asset if, and only if:

- (a) It is probable that future economic benefits associated with the item will flow to the enterprise; and
- (b) The cost of the item can be measured reliably.

Subsequent Cost

The Company recognizes in the carrying amount of an item of Property, Plant & Equipment, and the cost of replacing a part of an item, when that cost is incurred provided the recognition criteria as mentioned above are met. The carrying amount of those parts that are replaced is derecognized in accordance with the de-recognition provisions mentioned in the Accounting Standard. The cost of day to day servicing of an item of Property, Plant & Equipment is recognized in the Statement of Profit & Loss as and when incurred.

Measurement

Fixed assets are stated at acquisition cost less accumulated depreciation. The cost of fixed assets comprises its purchase price including import duties and other non-refundable taxes or levies (excluding GST) and any directly, attributable cost of bringing the asset to the working condition for its intended use.

Capital Work in Progress

Capital Work-In-Progress includes the cost of fixed assets that are not ready to use at the Balance Sheet date. Advances paid for capital assets are not considered as Capital Work-in-Progress but classified as Long Term Advances. Expenditure during construction period (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as pre-operative expenses, pending allocation to the assets and are included under “Capital Work-In-Progress”. These are apportioned to fixed assets on commencement of commercial production.

7. EVENTS OCCURRING AFTER BALANCE SHEET DATE

Material events occurring after the Balance Sheet are considered up to the date of approval of the accounts by the board of directors. There are no substantial events having an impact on the results of the current year Balance Sheet.

8. DEPRECIATION

Depreciation has been provided on the Written Down Value method as per the rates prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

Assets costing less than ₹ 5,000 each are generally fully depreciated in the year of capitalisation.

9. REVENUE RECOGNITION

- (a) Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership of products to the customers, which is generally on dispatch of goods. Sales are stated exclusive of GST.
- (b) Dividend income is recognized when the right to receive the dividend is established.
- (c) Interest income is recognized on the time proportion basis.
- (d) Export incentives receivable and duty drawback receivable are accounted for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

10. INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

11. EMPLOYEE BENEFITS

- (a) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and short term compensated absences, etc. are recognized in the period in which the employee renders the related services.

- (b) Post- Employment Benefits:

- (i) Defined Contribution Plans: The Employee State Insurance Scheme and Contributory Provident Fund administered by Provident Fund Commissioner are defined contribution plans. The Company's contribution paid/payable under the schemes is recognized as expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

- (ii) Defined Benefit Plans: The present value of the company's obligation towards gratuity payment to employees is determined based on the actuarial valuation, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, are as per actuarial valuation.

Actuarial gains and losses are recognized in the Statement of Profit and Loss.

12. BORROWING COSTS

The borrowing costs that are directly attributable to the acquisition, construction or productions of a qualifying asset are capitalized as part of the cost of that asset. The amount of borrowing cost eligible for capitalization is determined in accordance with Accounting Standard (AS) 16- Borrowing Costs issued by the Institute of Chartered Accountants of India (ICAI) and specified u/s 133 of the Act read with Rule 7 of the Companies (Accounts) Rule, 2014.

13. EARNINGS PER SHARE

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

14. ACCOUNTING FOR TAXES ON INCOME

Tax expenses for the current year comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act 1961. Deferred tax is recognized, on timing

differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. In subsidiaries companies Deferred tax asset/liability recognised only in that year when the company is start doing actual business activity.

DEFERRED TAX ASSETS/LIABILITIES

Deferred Tax liability/Asset in view of Accounting Standard –22: “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, is applicable to the company. The Deferred tax is recognised for all timing differences being the difference between the “Taxable income” and “Accounting Income” the originate in one period, and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates. Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying value at each Balance Sheet date.

15. IMPAIRMENT OF ASSETS

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (Cash Generating Unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. If such recoverable amount of the asset or the recoverable amount of the Cash Generating Unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

16. FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss for the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss.

The premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is recognized as an expense or income at the time of the contract.

17. CONTINGENT LIABILITIES AND PROVISIONS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

"Dextrous Products Private Limited versus Shanti Overseas (India) Pvt. Ltd. and another Dextrous Products Pvt. Ltd. has filed a case under Order 7 Rule 1 of Civil Procedure Code bearing case no RCS B/00029/2016 against our Company with City Civil Court no XVII Civil Judge Class I, District Judge, Indore for recovery of dues against our Company and Our Promoter Group Entity, M/s Agri Wing International. The matter is in dispute for the quality issue and cancellation of supply of contract beyond 545.885 metric tons. The company claims that it has made the payment as per the agreed calculation. The liability in the present matter can be of an amount of ₹ 9,14,397/- on our Company, and ₹ 4,39,803 on our Promoter Group Entity, M/s Agri Wing International. The last date of hearing was 6th October 2016. The matter is pending for further consideration."

18. PRELIMINARY & PRE-OPERATIVE EXPENSES:

Preliminary & pre-operative expenses in Holding Company have been written-off 1/5th over the course of five years from the year in which company's actual business started. As the management believes that actual benefit from those expenses will be derived in a

period of 5 years and not immediately. Till then Company shows Preliminary & pre-operative expenses under other current assets head. In Shaan Agro Oils & Extractions Pvt. Ltd., construction of new oil refinery is under process and expenses for the same have been classified as pre-operative expenses and construction of Fixed Assets under Capital WIP head.

19. OPERATING SEGMENT:

The Company operates in two segments - Manufacturing and trading. The segment report of Consolidated Audited Segment wise Revenue, Results and Capital Employed is annexed herewith-

Shanti Overseas (India) Limited
Reporting of Consolidated Audited Segment wise Revenue, Results and Capital Employed
Under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

| Particulars | Yearly | |
|---------------------------------------------------------------------------|-----------------------|-----------------------|
| | 31.03.2018 Audited | 31.03.2017 Audited |
| 1. Segment Revenue | | |
| (a) Segment – Manufacturing | 1,02,40,86,825 | 90,25,09,030 |
| (b) Segment – Trading | 40,70,16,551 | 24,19,02,902 |
| Total | 1,43,11,03,376 | 1,14,44,11,932 |
| Less: Inter Segment Revenue | (9,62,57,540) | (3,70,23,110) |
| Net Segment Revenue | 1,33,48,45,836 | 1,10,73,88,822 |
| 2. Segment Results (Profit)(+)/ Loss (-) before tax and interest) | | |
| (a) Segment – Manufacturing | 10,41,38,496 | 10,76,13,205 |
| (b) Segment – Trading | (64,63,710) | (2,67,99,572) |
| Total | 9,76,74,786 | 8,08,13,633 |
| Less: i) Interest | (2,51,42,784) | (2,41,78,234) |
| Total Profit Before Tax | 7,25,32,002 | 5,66,35,399 |
| 3. Segment Assets | | |
| (a) Segment – Manufacturing | 70,77,25,002 | 26,92,23,217 |
| (b) Segment – Trading | 9,58,07,260 | 9,29,89,213 |
| Total | 80,35,32,262 | 36,22,12,430 |
| 4. Segment Liabilities | | |
| (a) Segment – Manufacturing | 48,39,12,311 | 19,64,39,734 |
| (b) Segment – Trading | 8,61,46,259 | 7,99,33,883 |
| Total | 57,00,58,570 | 27,63,73,617 |
| 5. Capital Employed | 23,34,73,692 | 8,58,38,813 |
| Total | 80,35,32,262 | 36,22,12,430 |

C. NOTES TO ACCOUNTS-

- The schedules referred to in the balance sheet and profit and loss account forms an integral part of the accounts.
- Realizations:**
Balances of depositors, sundry debtors, creditors and loans and advances are subject to confirmations and reconciliations. In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.
- Contractual liabilities**
All other contractual liabilities connected with business operations of the Company have been appropriately provided for.
- Amounts in the financial statements**
Amounts in the financial statements are rounded off to nearest rupee. Figures in brackets indicate negative values. Previous year figures have been regrouped/ rearranged wherever found necessary.
- Related Party Disclosure (AS 18)**
Related party transactions are reported below as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended.

a) Details of related parties:

| | | |
|----|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Key Managerial Personnel | i. Mr. Mukesh Kacholia (Managing Director) ii. Mr. Ayush Kacholia (Whole Time Director) iii. Mr. Rohan Kacholia (Whole Time Director) iv. Mrs. Sangeeta Devi Kacholia (Non-Executive Director) v. Mrs. Karuna Kacholia (Chief Financial Officer) |
| 2. | Relatives of KMP | i. Mr. Mukesh Kacholia HUF (HUF Of Director) ii. Mrs. Namrata Kacholia (Spouse of Mr. Rohan Kacholia) |
| 3. | Entities where control exists | i. M/s. Shaan Agro Oils & Extractions Pvt. Ltd. (Wholly Owned Subsidiary) ii. M/s. Biograin Protinex Pvt. Ltd. (Wholly Owned Subsidiary) iii. M/s. Agri Wing International (Directors are Partners) |

b) Transactions during the year with the related party:

| S No. | Nature of Transactions | Key Managerial Personnel | Relatives of KMP | Entities where control exists |
|-----------|----------------------------------|--------------------------|------------------|-------------------------------|
| 1. | Employee Benefit Expenses | | | |
| | Mr. Mukesh Kacholia | 48,00,000 | - | - |
| | Mr. Ayush Kacholia | 48,00,000 | - | - |
| | Mr. Rohan Kacholia | 48,00,000 | - | - |
| | Mrs. Karuna Kacholia | 13,93,742 | - | - |
| | Mrs. Namrata Kacholia | - | 10,94,992 | - |
| 2. | Interest Paid | | | |
| | Mr. Mukesh Kacholia | 4,49,066 | - | - |
| | Mr. Ayush Kacholia | 3,43,412 | - | - |
| | Mr. Rohan Kacholia | 4,43,948 | - | - |
| 3. | Unsecured Loans Received | | | |
| | Mr. Mukesh Kacholia | 91,50,000 | - | - |
| | Mr. Ayush Kacholia | 1,96,05,000 | - | - |
| | Mr. Rohan Kacholia | 1,33,09,000 | - | - |
| | Mrs. Sangeeta Devi Kacholia | 13,00,000 | - | - |
| 4. | Unsecured Loans Repaid | | | |
| | Mr. Mukesh Kacholia | 1,26,60,993 | - | - |
| | Mr. Ayush Kacholia | 1,83,28,157 | - | - |
| | Mr. Rohan Kacholia | 1,42,55,500 | - | - |
| | Mrs. Sangeeta Devi Kacholia | 13,00,000 | - | - |
| 5. | Professional Fees Paid | | | |
| | Mrs. Karuna Kacholia | 1,25,000 | - | - |
| 6. | Rent Paid | | | |
| | Mrs. Sangeeta Devi Kacholia | 8,52,500 | - | - |
| | Mr. Mukesh Kacholia | 7,60,800 | - | - |
| | M/s. Agri Wing International | - | - | 23,83,500 |
| 7. | Purchase During the Year | | | |
| | M/s. Agri Wing International | - | - | 80,71,875 |
| 8. | Sales During the Year | | | |
| | M/s. Agri Wing International | - | - | 49,43,06,459 |

c) Balances Outstanding as on 31st March, 2018:

| S No. | Nature of Transactions | Key Managerial Personnel | Relatives of KMP | Entities where control exists |
|-----------|------------------------------|--------------------------|------------------|-------------------------------|
| 1. | Unsecured Loans | | | |
| | Mr. Mukesh Kacholia | 30,30,968 | - | - |
| | Mr. Ayush Kacholia | 31,44,040 | - | - |
| | Mr. Rohan Kacholia | 25,86,214 | - | - |
| 2. | Debtors for Goods | | | |
| | M/s. Agri Wing International | - | - | 1,12,00,000 |

6. Statement of Adjustments to Profit and Loss after Tax

Table-1

| Particulars | 2017-18 |
|------------------------------------------------------------------------------------------|-------------|
| Net Profit After Tax as per audited accounts but before adjustments for accounts: | 5,14,47,261 |
| Decrease/(Increase) in DTL | (40,12,381) |
| Profits after Tax as per Accounts | 4,74,34,880 |

For **Muchhal & Gupta**

Chartered Accountants

Membership No. 073011

Prakash Chandra Gupta

Partner

FRN: 004423C

Place: Indore

Date: 28/05/2018

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2018

NOTE 2

| SHARE CAPITAL | AS AT 31-03-2018 | | AS AT 31-03-2017 | |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------|------------------|--------------------|
| | Number | Amount | Number | Amount |
| Authorised Capital 76,00,000 Equity Shares of ₹10 each (Last year : 60,00,000 Equity Shares of ₹10/- each) | 76,00,000 | 7,60,00,000 | 60,00,000 | 6,00,00,000 |
| Issued Capital 74,04,000 Equity Shares of ₹10 each (Last year : 36,00,000 Equity Shares of ₹10/- each) | 74,04,000 | 7,40,40,000 | 36,00,000 | 3,60,00,000 |
| Subscribed & Paid up 74,04,000 Equity Shares of ₹ 10 each fully paid (Last year : 36,00,000 Equity Shares of ₹10 each) | 74,04,000 | 7,40,40,000 | 36,00,000 | 3,60,00,000 |
| TOTAL | 74,04,000 | 7,40,40,000 | 36,00,000 | 3,60,00,000 |

A. THE DETAILS OF SHAREHOLDER HOLDING MORE THAN 5% SHARE

| NAME OF SHAREHOLDER | AS AT 31-03-2018 | | AS AT 31-03-2017 | |
|-----------------------------|--------------------|--------------|--------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Mr. Mukesh Kacholia | 15,64,250 | 21% | 1,80,000 | 5% |
| Mr. Ayush Kacholia | 10,80,000 | 15% | 7,20,000 | 20% |
| Mr. Rohan Kacholia | 10,80,000 | 15% | 7,20,000 | 20% |
| Mrs. Sangeeta Devi Kacholia | 5,41,750 | 7% | 12,24,000 | 34% |
| Mrs. Karuna Kacholia | 5,40,000 | 7% | 3,60,000 | 10% |
| Mrs. Namrata Kacholia | 5,40,000 | 7% | 3,60,000 | 10% |
| TOTAL | 53,46,000 | 72% | 35,64,000 | 99% |

B. RECONCILIATION OF EQUITY SHARES

| PARTICULARS | AS AT 31-03-2018 | | AS AT 31-03-2017 | |
|-------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | No. of Shares held | Amount | No. of Shares held | Amount |
| Number of shares at the beginning of the period | 36,00,000 | 3,60,00,000 | 6,00,000 | 60,00,000 |
| Add: Bonus Shares issued | 18,00,000 | 1,80,00,000 | 30,00,000 | 3,00,00,000 |
| Add: Public Issue | 20,04,000 | 2,00,40,000 | - | - |
| Number of shares at the end of the period | 74,04,000 | 7,40,40,000 | 36,00,000 | 3,60,00,000 |

C. The Company has allotted 18,00,000 equity shares of ₹ 10/- each as fully paid up bonus shares in current year by capitalisation of reserves & surplus to the existing shareholders in the ratio of 1:2. No ordinary shares have been reserved for issue under options/contracts/commitments for the sale of shares/disinvestment at the Balance Sheet date. The company has also not allotted any equity shares against consideration other than cash, brought back any shares or issued securities convertible into Equity/Preference shares. Neither are any calls unpaid by any director or officer of the company during the year.

D. The Company has raised ₹ 10,02,00,000 by public issue of 20,04,000 equity shares of ₹ 10 each at a premium of ₹ 40 per share on August 3, 2017.

TERMS AND RIGHTS ATTACHED TO EQUITY SHARES

E. The Company has one class of shares – the Ordinary shares. These shares are of ₹ 10/- each. In respect of every Ordinary share (whether fully or partly paid), voting rights shall be in the same proportion as the capital paid up on such Ordinary share bears to the total paid up Ordinary share capital of the Company. The dividend proposed by Board of Directors (except interim dividend) is subject to approval by shareholders in the Annual General Meetings. The claim of ordinary shareholder on earnings and assets in the event of liquidation, follows all others, in proportion of their shareholdings.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2018

| NOTES | PARTICULARS | Amount (₹) 31-03-2018 | Amount (₹) 31-03-2017 |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 3 | RESERVE AND SURPLUS | | |
| | A. Securities Premium Account | | |
| | Opening Balance | - | 65,00,000 |
| | (+) Security premium credited on Share issue | 8,01,60,000 | - |
| | (-) Bonus Issue Of Shares | - | (65,00,000) |
| | Total A | 8,01,60,000 | - |
| | B. Surplus | | |
| | Opening balance | 4,98,38,813 | 3,54,67,264 |
| | (-) Bonus Issue of shares | (1,80,00,000) | (2,35,00,000) |
| | (+) Net Profit/(Net Loss) For the current year | 4,74,34,880 | 3,78,71,548 |
| | Total B | 7,92,73,693 | 4,98,38,813 |
| | TOTAL (A+B) | 15,94,33,693 | 4,98,38,813 |
| 4 | LONG TERM BORROWING | | |
| | Secured Loans | | |
| | From Banks | 13,51,54,428 | 1,55,12,884 |
| | Unsecured Loans | | |
| | From Related Parties and Directors | 87,61,222 | 1,08,29,030 |
| | From Banks | 5,44,818 | 17,14,182 |
| | From Body Corporates | - | 70,00,000 |
| | TOTAL | 14,44,60,468 | 3,50,56,096 |
| | Secured Loans are secured by hypothecation of Plant and Machinery, Movable fixed assets and further secured by immovable assets of company and the directors. | | |
| 5 | DEFERRED TAX ASSETS | | |
| | Opening balance(DTA) | - | - |
| | Add: DTA created | - | - |
| | TOTAL | - | - |
| | DEFERRED TAX LIABILITY | | |
| | Opening balance(DTL) | 14,08,098 | 8,68,650 |
| | Add: DTL created | 40,12,381 | 5,39,448 |
| | TOTAL | 54,20,479 | 14,08,098 |
| | Closing (DTL)/DTA | 54,20,479 | 14,08,098 |
| 6 | LONG TERM PROVISIONS | | |
| | Gratuity Payable | 2,11,563 | 1,29,937 |
| | TOTAL | 2,11,563 | 1,28,977 |
| 7 | SHORT TERM BORROWINGS | | |
| | Secured Loans from banks | 31,55,14,962 | 20,55,22,528 |
| | TOTAL | 31,55,14,962 | 20,55,22,528 |
| | Secured Loans are secured by hypothecation of Factory Building, Plant and Machinery and further secured by existing and future current assets of the company. This includes cash credit limits, EPCL & pledge limits secured against stock of raw material. | | |

| NOTES | PARTICULARS | Amount (₹) 31-03-2018 | Amount (₹) 31-03-2017 |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8 | <u>TRADE PAYABLES</u> Trade Payable from micro, small and medium enterprises <u>Trade Payable from others</u> Creditor for Capital Goods Creditor for Goods Creditor for Expense TOTAL | - 1,05,16,205 3,66,44,947 1,12,29,213 5,83,90,364 | - 4,26,440 5,87,851 9,57,619 19,71,910 |
| | The company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small & Medium Enterprises Development Act 2006) claiming their status as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is NIL. | | |
| 9 | <u>Other Current Liabilities</u> Current Maturity of long term borrowing Statutory Remittances TOTAL | 1,32,09,733 23,40,017 1,55,49,750 | 71,18,900 29,94,330 1,01,13,230 |
| 10 | <u>SHORT TERM PROVISIONS</u> <u>A. Duties & Taxes</u> Provision for Income Tax Provision for Professional Tax Total A <u>B. Provisions</u> Salary payable Bonus Payable Provision for Audit Fees Electricity Payable Telephone exp. Payable Director Sitting Fee Payable Provision for bank interest Other Provisions Total B TOTAL(A+B) | 2,10,19,691 7,642 2,10,27,333 7,41,260 1,53,218 68,500 16,71,722 8,778 32,000 27,10,598 40,97,575 94,83,652 3,05,10,985 | 1,82,24,402 5,852 1,82,30,254 6,71,481 1,84,012 36,067 18,61,101 14,289 - 11,54,613 20,000 39,42,523 2,21,72,777 |

SHANTI OVERSEAS (INDIA) LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2018
Note "11" FIXED ASSETS

| Particulars | Gross Block | | | Depreciation | | | Net block | | | | |
|-----------------------------------------|--------------------|---------------------|--------------------|---------------------|--------------------|--------------------|------------------------|-----------------|--------------------|--------------------|---------------------|
| | Opening Balance | Addition | Deduction | As on 31.03.18 | Up to 31.03.17 | Current Year | Adjusted with Retained | Deletion | Up to 31.03.2018 | As on 31.03.18 | As on 31.03.17 |
| Factory Building | 52,27,131 | - | - | 52,27,131 | 21,15,657 | 2,94,583 | - | - | 24,10,240 | 31,11,475 | 28,16,892 |
| Battery UPS | 1,49,180 | - | - | 1,49,180 | 1,34,834 | 6,336 | - | - | 1,41,170 | 14,346 | 8,010 |
| Computer | 7,96,584 | 2,26,801 | - | 10,23,385 | 6,01,910 | 1,81,804 | - | - | 7,83,714 | 1,94,674 | 2,39,671 |
| Software | 1,95,200 | 25,000 | - | 2,20,200 | 1,74,355 | 13,118 | - | - | 1,87,473 | 20,845 | 32,727 |
| Fan | 1,500 | 1,499 | - | 2,999 | 1,500 | 174 | - | - | 1,674 | - | 1,325 |
| Generator | 2,33,782 | - | - | 2,33,782 | 1,54,363 | 15,050 | - | - | 1,69,413 | 79,419 | 64,369 |
| Honda Activa | 26,383 | - | - | 26,383 | 24,235 | - | - | - | 24,235 | 2,148 | 2,148 |
| Inverter | 20,600 | - | - | 20,600 | 17,447 | 1,452 | - | - | 18,899 | 3,153 | 1,701 |
| Mobile | 3,62,887 | 3,05,745 | - | 6,68,632 | 2,38,973 | 1,17,076 | - | - | 3,56,049 | 1,23,914 | 3,12,583 |
| Factory Shed | 61,779 | - | - | 61,779 | 5,869 | 5,311 | - | - | 11,180 | 55,910 | 50,599 |
| Office Equipment | 2,49,841 | - | - | 2,49,841 | 1,21,473 | 57,212 | - | - | 1,78,684 | 1,28,368 | 71,157 |
| Office Furniture | 3,99,605 | 5,49,319 | - | 9,48,924 | 3,10,671 | 56,510 | - | - | 3,67,181 | 88,934 | 5,81,743 |
| Plant & Machinery | 4,57,94,718 | 11,27,844 | 10,00,000 | 4,59,22,562 | 97,56,508 | 65,77,067 | - | - | 1,63,33,575 | 3,60,38,210 | 2,95,88,987 |
| Printer | 13,750 | 12,750 | - | 26,500 | 13,062 | 7,281 | - | - | 20,343 | 688 | 6,157 |
| Scooter | 36,033 | - | - | 36,033 | 31,973 | - | - | - | 31,973 | 4,061 | 4,061 |
| Electrical Equipment | 3,34,073 | 1,90,991 | - | 5,25,064 | 1,08,295 | 1,01,065.00 | - | - | 2,09,360 | 2,25,778 | 3,15,704 |
| UPS | 3,810 | - | - | 3,810 | 3,810 | - | - | - | 3,810 | - | - |
| Car Toyota Innova | 24,52,348 | - | - | 24,52,348 | 7,65,868 | 5,26,688 | - | - | 12,92,556 | 16,86,480 | 11,59,792 |
| Weighing scale | 54,577 | - | - | 54,577 | 34,524 | 3,904 | - | - | 38,428 | 20,053 | 16,149 |
| Camera & Security System | 3,66,649 | 17,324 | - | 3,83,973 | 2,96,043 | 31,964 | - | - | 3,28,007 | 70,606 | 55,966 |
| EPABX System | 23,961 | - | - | 23,961 | 22,405 | 358 | - | - | 22,763 | 1,556 | 1,198 |
| LCD | 18,990 | - | - | 18,990 | 17,750 | 291 | - | - | 18,041 | 1,240 | 949 |
| Cylinder | 1,43,000 | - | - | 1,43,000 | 85,106 | 10,822 | - | - | 95,928 | 57,894 | 47,072 |
| Seweing Machine | 27,429 | 5,800 | - | 33,229 | 9,392 | 4,067 | - | - | 13,459 | 18,037 | 19,770 |
| Car Cruze | 17,62,650 | - | - | 17,62,650 | 12,02,092 | 1,42,107 | - | - | 13,44,199 | 5,60,558 | 4,18,451 |
| Car Jazz | 9,81,974 | - | - | 9,81,974 | 3,06,670 | 2,10,897 | - | - | 5,17,567 | 6,75,304 | 4,64,407 |
| Land | 2,55,80,229 | - | - | 2,55,80,229 | - | - | - | - | - | 2,55,80,229 | 2,55,80,229 |
| Jeep Compass | - | 23,97,117 | - | 23,97,117 | - | 3,37,501 | - | - | 3,37,501 | - | 20,59,616 |
| Plant Construction(P&M) | - | 6,99,51,876 | 1,60,00,092 | 5,39,51,784 | - | 1,60,525 | - | - | 1,60,525 | - | 5,37,91,259 |
| Plant Construction(Building) | - | 7,22,64,305 | 52,39,908 | 6,70,24,397 | - | 1,04,668 | - | - | 1,04,668 | - | 6,69,19,729 |
| Plant Construction(Electrical fittings) | - | 46,48,269 | - | 46,48,269 | - | 19,783 | - | - | 19,783 | - | 46,28,486 |
| Current Year | 8,53,18,664 | 15,17,24,640 | 2,22,40,000 | 21,48,03,304 | 1,65,54,787 | 89,87,614 | - | - | 2,55,42,400 | 6,87,63,877 | 18,92,60,904 |
| Previous Year | 6,70,18,034 | 2,09,46,749 | 26,46,120 | 8,53,18,663 | 65,20,235 | 1,05,07,692 | - | 4,73,140 | 1,65,54,786 | 6,04,97,799 | 6,87,63,877 |

| NOTES | PARTICULARS | Amount (₹) 31-03-2018 | Amount (₹) 31-03-2017 |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| 12 | <u>CAPITAL WIP</u> Building Electrical Fittings Plant & Machinery Site Development TOTAL | 2,91,54,534 10,05,503 6,25,53,924 24,96,300 9,52,10,261 | 49,83,119 - - - 49,83,119 |
| 13 | <u>LONG TERM LOANS & ADVANCES</u> <u>Unsecured, considered good</u> Security Deposits Others TOTAL | 55,94,797 16,70,300 72,65,097 | 22,23,959 11,91,300 34,15,259 |
| 14 | <u>OTHER NON CURRENT ASSET</u> <u>Preliminary Expenses</u> Shaan Agro Oil & Extraction Pvt. Ltd Biograin Protinex Pvt. Ltd. IPO Expenses <u>Preoperative Expenses</u> Shaan Agro Oil & Extraction Pvt. Ltd Biograin Protinex Pvt. Ltd. TOTAL | 25,520 24,750 87,67,997 46,18,489 1,29,911 1,35,66,667 | 25,520 24,750 - 68,229 47,991 1,66,490 |
| 15 | <u>INVENTORIES (AS TAKEN, VALUED AND CERTIFIED BY THE MANAGEMENT)</u> <u>Finished Goods</u> Soyabean Meal Soyabean Oil Soya Lecithin FM/Mitti <u>Raw Material</u> Soyabean <u>Stock-in-trade</u> Soyabean Rice TOTAL | 26,40,701 99,04,987 29,52,496 4,93,775 22,24,67,975 - 18,47,818 24,03,07,753 | 3,75,87,155 11,87,475 30,08,938 37,564 5,65,25,622 10,77,120 - 9,94,23,874 |
| 16 | <u>TRADE RECEIVABLES</u> <u>Unsecured, Considered good</u> <u>Export Debtor</u> More than six month Less than six month <u>Domestic Debtor</u> More than six month Less than six month TOTAL | - 12,61,30,102 6,39,149 2,57,55,097 15,25,24,348 | - 13,23,91,577 - 29,35,516 13,53,27,093 |

| NOTES | PARTICULARS | Amount (₹) 31-03-2018 | Amount (₹) 31-03-2017 |
|-------|-----------------------------------------------------|--------------------------|--------------------------|
| 17 | <u>CASH AND CASH EQUIVALENT</u> | | |
| | Balances with Bank | 39,42,505 | 11,66,446 |
| | Cash in Hand | 1,47,546 | 3,32,847 |
| | Bank deposits with more than twelve months maturity | 1,07,66,970 | 1,23,94,308 |
| | TOTAL | 1,48,57,021 | 1,38,93,600 |
| 18 | <u>SHORT TERM LOANS AND ADVANCES</u> | | |
| | <u>Secured, considered good</u> | | |
| | Advance EMI - RBL | - | 1,22,890 |
| | HDFC Bank Treasury | - | 3,21,000 |
| | <u>Unsecured, considered good</u> | | |
| | <u>Others</u> | | |
| | Staff Loans & advances | 1,33,394 | 62,097 |
| | Advances to Suppliers | 1,10,98,959 | 4,88,518 |
| | Prepaid Expense | 3,14,005 | 5,94,171 |
| | Other Advances | 88,23,375 | 2,62,379 |
| | <u>Balances with Government Authorities</u> | | |
| | Advance Tax | 1,35,00,000 | 1,25,00,000 |
| | Others | 4,19,96,188 | 1,05,65,570 |
| | TOTAL | 7,58,65,922 | 2,49,16,625 |
| 19 | <u>OTHER CURRENT ASSETS</u> | | |
| | Export Incentive (MEIS Scheme) | 1,23,04,736 | 99,59,246 |
| | Accrued Interest on FD | 3,80,076 | 3,17,202 |
| | Interest Receivable | 10,371 | 86,670 |
| | Interest Subsidy Receivable | 16,76,925 | 6,57,192 |
| | Quarterly Incremental License | 3,02,182 | 3,02,182 |
| | TOTAL | 1,46,74,290 | 1,13,22,492 |
| 20 | <u>REVENUE FROM OPERATIONS</u> | | |
| | <u>A. Sale of products:</u> | | |
| | <u>(i) Trading Goods</u> | | |
| | Kabuli chana | 4,19,68,660 | 7,57,23,371 |
| | Soyabean | 11,29,38,788 | 12,19,39,910 |
| | Black Eye Beans | 4,54,56,625 | - |
| | Red Cowpeas | 1,02,32,209 | - |
| | Rice | 8,13,24,646 | - |
| | Soyabean Meal | 76,87,500 | - |
| | Moong | - | 41,61,185 |
| | Red Lentil | 45,88,290 | - |
| | Total (i) | 30,41,96,717 | 20,18,24,466 |
| | <u>(ii) Manufacturing Goods</u> | | |
| | Soyabean Crude Oil | 18,13,46,577 | 15,28,91,129 |
| | Soyabean Meal | 74,89,34,269 | 71,53,63,354 |
| | FM/Mitti | 7,52,475 | 11,80,204 |
| | Soya lecithin | 22,50,270 | 67,32,200 |
| | Total (ii) | 93,32,83,590 | 87,61,66,887 |
| | Total A (i+ii) | 1,23,74,80,308 | 1,07,79,91,353 |

| NOTES | PARTICULARS | Amount (₹) 31-03-2018 | Amount (₹) 31-03-2017 |
|-----------|-------------------------------------------|--------------------------|--------------------------|
| | <u>B. Other Operating Revenue:</u> | | |
| | Foreign Exchange Fluctuation | 2,07,59,685 | 1,28,08,133 |
| | Profit from Dollar Hedging | 1,65,73,897 | 26,42,136 |
| | Profit from NCDEX | 2,70,03,423 | (4,76,35,377) |
| | Export Incentive | 1,82,19,734 | 3,44,70,612 |
| | Duty drawback Receivable | 12,34,119 | 81,32,131 |
| | Shortage, Quantity & Rate Difference | 7,95,899 | 6,75,444 |
| | Income from job work | 48,80,712 | 16,88,756 |
| | Qty Claim & Discount Received | 68,74,563 | 82,73,758 |
| | Total B | 9,63,42,034 | 2,10,55,594 |
| | TOTAL (A+B) | 1,33,38,22,341 | 1,09,90,46,946 |
| 21 | <u>OTHER INCOME</u> | | |
| | Income from Weighbridge | 65,990 | - |
| | Interest from MPSEB | 99,204 | 79,572 |
| | Interest on FDR | 8,08,330 | 6,34,938 |
| | Profit & Loss from sale of car | - | 27,042 |
| | Interest Received | 3,500 | 50,000 |
| | VAT Receivable | - | 36,45,825 |
| | Service Tax receivable | - | 11,52,435 |
| | Sundry Balances Written Off | 45,550 | 9,48,734 |
| | Other Income | 920 | - |
| | Settlement | - | 18,03,330 |
| | TOTAL | 10,23,495 | 83,41,876 |
| 22 | <u>COST OF MATERIAL CONSUMED</u> | | |
| | <u>Soyabean</u> | | |
| | Opening Stock | 5,65,25,622 | 85,01,700 |
| | Add: Purchases/ Transfer | 91,20,34,520 | 69,70,11,544 |
| | Add: Direct Expenses | 7,96,75,679 | 7,99,20,097 |
| | Less: Closing Stock | (22,24,67,975) | (5,65,25,622) |
| | TOTAL | 82,57,67,845 | 72,89,07,719 |
| 23 | <u>PURCHASE</u> | | |
| | <u>Stock-in-trade</u> | | |
| | Kabuli chana | 4,04,09,621 | 4,58,57,072 |
| | Soyabean | 10,14,97,367 | 7,26,84,285 |
| | Moong | - | 47,16,074 |
| | Soyabean Oil | - | 53,44,970 |
| | Soyabean Meal | 76,87,500 | 1,40,520 |
| | Black Eye Beans | 4,08,68,918 | - |
| | Cow Peas | 93,57,366 | - |
| | Red Lentils | 51,80,589 | - |
| | Rice | 7,09,39,090 | - |
| | TOTAL | 27,59,40,451 | 12,87,42,921 |

| NOTES | PARTICULARS | Amount (₹) 31-03-2018 | Amount (₹) 31-03-2017 |
|-------|------------------------------------------------------------|--------------------------|--------------------------|
| 24 | <u>CHANGES IN INVENTORIES</u> | | |
| | <u>Finished Goods</u> | | |
| | Opening Stock | 4,18,21,133 | 6,71,53,724 |
| | Closing Stock | 1,59,91,960 | 4,18,21,133 |
| | (Increase)/Decrease | 2,58,29,173 | 2,53,32,591 |
| | <u>Stock-in-trade</u> | | |
| | Opening Stock | 10,77,120 | 6,04,31,844 |
| | Closing Stock | 18,47,818 | 10,77,120 |
| | (Increase)/Decrease | (7,70,698) | 5,93,54,724 |
| | Net (Increase)/Decrease | 2,50,58,475 | 8,46,87,315 |
| 25 | <u>EMPLOYEE BENEFIT EXPENSE</u> | | |
| | Bonus Expense | 3,09,721 | 4,52,122 |
| | Salaries | 95,11,414 | 61,03,513 |
| | Gratuity | 81,626 | 1,29,937 |
| | Staff Welfare Expense | 3,98,043 | 3,37,763 |
| | ESIC, Leave Encashment, Medical, PF | 6,59,776 | 6,76,745 |
| | Remuneration of Directors and Key Managerial Personnel | | |
| | Salary to whole time directors | 1,44,00,000 | 1,26,00,000 |
| | Director Sitting Fee | 32,000 | - |
| | TOTAL | 2,53,92,580 | 2,03,00,080 |
| 26 | <u>FINANCE COST</u> | | |
| | <u>Interest</u> | | |
| | Bank Interest | 1,73,30,300 | 1,48,35,293 |
| | Interest on Term Loan | 3,66,080 | 5,82,765 |
| | Interest on Car Loan | 1,63,727 | 61,252 |
| | Interest on Unsecured Loan | 21,00,234 | 54,63,020 |
| | Interest on Income Tax | 3,10,737 | 1,11,452 |
| | Interest to Suppliers | 1,34,509 | - |
| | <u>Others</u> | | |
| | Bank Charges | 34,14,751 | 23,15,969 |
| | Processing Fees | 13,22,446 | 8,08,485 |
| | TOTAL | 2,51,42,784 | 2,41,78,235 |
| 27 | <u>OTHER EXPENSES</u> | | |
| | <u>Administrative, Selling & Other Expenses</u> | | |
| | Administrative Expense | | |
| | Auditors Remuneration* | 65,000 | 40,075 |
| | Advertisement Expenses | 5,48,000 | 3,55,851 |
| | Business Promotion Expense | 4,54,261 | 2,74,929 |
| | Brokerage & Professional Expense | 1,36,65,045 | 1,43,17,183 |
| | Conveyance Expense | 4,17,450 | 4,90,752 |
| | Computer Repair & Maintenance | 1,04,581 | 1,35,890 |
| | Factory Repair & Maintenance | 61,728 | 42,350 |
| | Factory Expenses | 2,73,007 | - |
| | Insurance expense | 4,55,999 | 2,38,681 |
| | Interest on duty drawback | 4,108 | 26,592 |
| | Legal Expense | 16,75,676 | 2,61,719 |

| NOTES | PARTICULARS | Amount (₹) 31-03-2018 | Amount (₹) 31-03-2017 |
|-----------|-----------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| | Professional Tax | 10,000 | 10,000 |
| | Office Maintenance Expense | 60,903 | 25,440 |
| | Discount | 1,08,478 | 6,60,100 |
| | Office Expense | 4,23,604 | 85,505 |
| | Postage & Stamp Charges | 1,68,992 | 1,88,193 |
| | Electricity Expenses | 1,92,740 | 3,60,002 |
| | Office Rent | 5,56,000 | 4,33,123 |
| | Stationery & Printing Expense | 1,31,203 | 1,68,098 |
| | Preliminary Expenses Written off | 13,75,107 | - |
| | Vehicle Repair & Maintenance | 79,252 | 89,194 |
| | Telephone Expense | 3,36,379 | 3,12,985 |
| | Travelling Expense | 39,54,210 | 14,28,395 |
| | Other Expense | 4,23,027 | 10,05,528 |
| | TOTAL A | 2,55,44,748 | 2,09,50,585 |
| | *Auditor's Remuneration | | |
| | Statutory Audit | 40,000 | 22,900 |
| | Tax Audit | 25,000 | 17,175 |
| | TOTAL | 65,000 | 40,075 |
| | (All amounts are exclusive of Goods and Service Tax) | | |
| | Selling Expense | | |
| | Export Expense | 4,87,81,942 | 3,13,97,162 |
| | Discount on export | - | 2,07,012 |
| | Sampling Expense | 13,52,468 | 5,15,820 |
| | Quality & Rate Difference | 3,44,927 | 3,58,884 |
| | TOTAL B | 5,04,79,337 | 3,24,78,878 |
| | TOTAL II (A+B) | 7,60,24,086 | 5,34,29,463 |
| 28 | <u>TAX EXPENSES</u> | | |
| | Current Year Tax | 2,10,19,691 | 1,82,24,402 |
| | Income tax related to previous years (A. Y. 2015-16) | 65,050 | - |
| | TOTAL | 2,10,84,741 | 1,82,24,402 |
| 29 | EARNING PER SHARE | | |
| | Profit during the year | 4,74,34,880 | 3,78,71,548 |
| | No. of shares at the end of the period* | 66,90,246 | 54,00,000 |
| | Basic EPS | 7.09 | 7.01 |
| | Diluted EPS | 7.09 | 7.01 |
| | *Previous year's EPS has been restated after taking the effect of bonus shares(18,00,000 in number) | | |
| | *Current Year's No. of Shares at the end has been taken on the basis of Weighted Average Method. | | |
| 30 | EARNINGS IN FOREIGN EXCHANGE | | |
| | F.O.B. Value of Exports | 44,20,09,268 | 85,87,08,033 |
| | Earnings in Foreign Currency | 2,07,59,685 | 1,28,08,133 |
| | TOTAL | 46,27,68,953 | 87,15,16,166 |

**SUB SCHEDULE ON NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31st MARCH 2018**

| Sub Schedule | | | |
|-----------------|-------------------------------|--------------------|--------------------|
| 1 | <u>Direct Expenses</u> | | |
| | Bardan Repairing Expense | 5,62,808 | 3,02,710 |
| | Brokerage on Purchase | 22,70,799 | 10,13,312 |
| | Cold Storage Rent | 72,632 | 2,30,234 |
| | Factory Rent | 23,99,050 | 21,15,500 |
| | Factory Expense | 6,61,834 | 14,16,620 |
| | Packing Material Consumed | 1,10,54,324 | 71,75,790 |
| | Mandi Godown Rent | 1,34,200 | 1,26,000 |
| | Power & Fuel Expense | 2,01,42,084 | 1,63,32,538 |
| | Cartage Expense | 28,465 | 5,50,538 |
| | Mandi Tax | 7,83,159 | 16,34,295 |
| | Freight Expense | 1,83,80,478 | 2,93,67,359 |
| | Wages | 1,20,74,074 | 85,68,059 |
| | Mandi Expense | 22,100 | 14,040 |
| | Processing Expense | 3,76,876 | 31,25,459 |
| | Plant and Machinery Rent | 24,78,515 | 27,48,000 |
| | Warehousing Rent Expense | 28,93,468 | 13,37,341 |
| | Sampling Expense | 3,46,743 | 19,40,541 |
| | Insurance of Stock | 1,49,503 | 1,64,162 |
| | Plant and Machinery Expenses | 28,88,053 | 17,57,600 |
| | Import Expense | 19,56,513 | - |
| | TOTAL | 7,96,75,679 | 7,99,20,097 |

PROXY FORM
FORM NO. MGT - 11

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of Company : SHANTI OVERSEAS (INDIA) LIMITED
CIN : L51211MP2011PLC025807
Regd. Office : 215-216,VIKRAM TOWER, 1ST FLOOR, INDORE (MP) 452001
Phone : +91-731-4020586, +91-731-4020587
Website : www.shantioverseas.com
E-mail : mail@shantioverseas.com

Name of the Member(s):

Registered Address :

E-mail ID Folio No./ Client ID/ DPID:

I/We being the Member(s) of _____ equity shares of ₹ 10 each of Shanti Overseas (India) Limited, hereby appoint:

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

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7th Annual General Meeting of the Company, to be held on Saturday, the 29th September, 2018 at 11.00 a.m. at Survey No. 1035 to 1071 / 6, Gram Dhannad, Tehsil Depalpur, Rau-Pithampur Road, Opp. Garg Fuel Dist. Indore 453001 (M.P.) and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

1. Adoption of the Audited Financial Statements of the Company on Standalone and Consolidated basis as at **March 31, 2018** and Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. Declaration of **dividend of ₹ 0.50/- per Equity Shares (5%)** of the face value of ₹ 10/- each for the Financial Year ended on 31st March, 2018.
3. Re-appointment of **Mr. Rohan Kacholia (DIN: 03623354)** as a Director, who is liable to retire by rotation and, being eligible, offers himself for re-appointment.
4. Ratification of Appointment of **M/s. Muchhal & Gupta, Chartered Accountants, Indore (FRN 004423C)** as the Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company on such remuneration as may be mutually agreed between the Board of Directors and the Statutory Auditor of the Company.

Signed: this _____ day of _____ 2018

Signature of Member(s): _____

Signature of the 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]

Name of the Company: Shanti Overseas (India) Limited

CIN: L51211MP2011PLC025807

Registered Office: 215-216,VIKRAM TOWER, 1ST FLOOR, INDORE (MP) 452001

Telephone: +91-731-4020586, +91-731-4020587

Website: www.shantioverseas.com

Email: mail@shantioverseas.com

BALLOT PAPER

| SR.No. | Particulars | Details |
|--------|-----------------------------------------------------------------------------------------------------------------------|--------------------------|
| 1. | Name of First – Named Shareholder (in BLOCK letters) | |
| 2. | Postal Address | |
| 3. | Registered Folio No./ *DP ID and Client ID No. (*Applicable to investors holding shares in dematerialized form) | |
| 4. | Class of Share | Equity Share of Rs. 10/- |

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

| Sr No. | Resolutions | No. of shares held by me | I assent to the resolution | I dissent from the resolution |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------|-------------------------------|
| | ORDINARY BUSINESS | | | |
| 1. | Adoption of the Audited Financial Statements of the Company on Standalone and Consolidated basis as at March 31, 2018 and Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and Auditors thereon. | | | |
| 2. | Declaration of dividend of ₹ 0.50/- per Equity Shares (5%) of the face value of ₹ 10/- each for the Financial Year ended on 31 st March, 2018. | | | |
| 3. | Re-appointment of Mr. Rohan Kacholia (DIN: 03623354) as a Director, who is liable to retire by rotation and, being eligible, offers himself for re-appointment. | | | |
| 4. | Ratification of appointment of M/s Muchhal & Gupta, Chartered Accountants, Indore (FRN 004423C) as the Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company on such remuneration as may be mutually agreed between the Board of Directors and the Statutory Auditor of the Company. | | | |

Place:

Date:

(Signature of the shareholder)

SHANTI OVERSEAS (INDIA) LIMITED

CIN: L51211MP2011PLC025807

Regd. Office: 215-216,VIKRAM TOWER, 1ST FLOOR, INDORE (MP) 452001

ATTENDANCE SLIP

7TH Annual General Meeting of Shanti Overseas (INDIA) Limited held on Saturday 29th September 2018 at 11 a.m. at Survey No. 1035 to 1071 / 6, Gram Dhannad, Tehsil Depalpur, Rau-Pithampur Road, Opp. Garg Fuel Dist. Indore 453001 (M.P.)

R. F. No.....

Shri /Smt./Miss.....

(Shareholder's Name in block letters)

I/We certify that I/We am / are registered shareholder / proxy for the Registered Shareholder of the Company.

I/We hereby record my / our presence at the 7TH Annual General Meeting of the Company i.e. Shanti Overseas (India) Limited held on Saturday 29th September 2018 at 11 a.m. at Survey No. 1035 to 1071 / 6, Gram Dhannad, Tehsil Depalpur, Rau-Pithampur Road, Opp. Garg Fuel Dist. Indore 453001 (M.P.)

(If signed by proxy, his name should be written in block letters)

.....

(Shareholder's / Proxy's Signature)

NOTE:

1. Shareholders / proxy holders are requested to bring the Attendance Slip with them when they come to the meeting and hand over them at the entrance after affixing their signatures on them.
2. If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

NOTE: The Map of Venue of AGM is given at the last page of Annual Report.

Route Map to the venue of AGM
Shanti Overseas (India) Limited

Survey No. 1035 to 1071 / 6, Gram Dhannad, Tehsil Depalpur, Rau-Pithampur Road,
Opp. Garg Fuel Dist. Indore 453001 (M.P.)

LOCATION MAP - TO EASY REACH





**Shanti Overseas (India) Limited, 215-216 Vikram Tower, 1st Floor,
Sapna Sangeeta Road, Indore(M.P)-452001
Phone : +91-731-4020586, 731-4020587**