# 10th ANNUAL REPORT 2020-21

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# Success is a Journey Since 2004

## 2020-21

2020-21 has been another year of growth with an increasing turnover of Rs. 18007.99 Lacs as compared to Rs. 14600.89 lacs in 19-20. The company has also diversified into good volume of trading activity also other than manufacturing turnover and has survived inspite of several hardships due to Covid-19 and other factors. The company has also improved it's gearing ratio to 1.09 from 1.21 in 2019-20 and 1.62 in 2018-19 which is a positive indication for all the stakeholders.

## 2019

Successfully started export of soya lecithin into Europe market. Expanded the market of soymeal to big players of US, South Korea, Netherland, France, Germany, Italy.

## 2018

Full Commencement of Operations of new plant and Commissioning of Soya Oil Refinery under Shaan Agro Oil & Extractions Private Limited. (100 subsidiary of SOIL) there by further processing Crude oil into organic soya lecithin to be exported globally.

## 2017

Laid the foundation of new manufacturing facility at Dhannad, Indore (freehold land) with manifold increase in production capacity of soymeal. Conservation of Private Limited Company into Public Limited Company & the Listing of company on National Stock Exchange (Emerge Platform).

## 2015

Diversification from trading to manufacturing activity. Company established a new manufacturing plant at sonway, Indore on a rented ware house. Mainly producing organic soymeal, lecithin & soya crude oil. Company started exports of organic soymeal to country USA, Europe & Canada.

## 2013

Penetrated into international market of soyabean by export to USA.

## 2011

Conversation of partnership firm into company. Expansion of market of chickpeas form domestic to international covering Pakistan, Sri Lanka, Turkey etc.

## 2004

Activity Started with processing of Chickpeas under Partnership Firm while making presence in Domestic Marker only.

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# Corporate Information

**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. Sudeep Satyendra Saxena | : | Independent Director |
| 6. | Mr. Vijay Nichani | : | Independent Director |

**AUDIT COMMITTEE**

| | | | |
|---|---|---|---|
| 1. | Mr. Vijay Nichani | : | Chairman |
| 2. | Mr. Sudeep Satyendra Saxena | : | Member |
| 3. | Mr. Mukesh Kacholia | : | Member |

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

| | | | |
|---|---|---|---|
| 1. | Mr. Vijay Nichani | : | Chairman |
| 2. | Mr. Sudeep Satyendra Saxena | : | Member |
| 3. | Mr. Ayush Kacholia | : | Member |

**NOMINATION AND REMUNERATION COMMITTEE**

| | | | |
|---|---|---|---|
| 1. | Mr. Vijay Nichani | : | Chairman |
| 2. | Mr. Sudeep Satyendra Saxena | : | Member |
| 3. | Mrs. Sangeeta Kacholia | : | Member |

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

| | | | |
|---|---|---|---|
| 1. | Mr. Vijay Nichani | : | Chairman |
| 2. | Mr. Mukesh Kacholia | : | Member |
| 3. | Mr. Ayush 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
301, Shalimar Corporate
Centre, 8-B South Tukoganj,
Indore-452001 (M.P.)

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

**COMPANY SECRETARY & COMPLIANCE OFFICER**
Mrs. Ramita Otwani

**CHIEF FINANCIAL OFFICER**
Mrs. Karuna Kacholia

**INTERNAL AUDITOR**
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

## NOTICE OF THE 10TH ANNUAL GENERAL MEETING

**NOTICE** is hereby given that 10th Annual General Meeting of the Members of **SHANTI OVERSEAS (INDIA) LIMITED** ("the Company") will be held on Thursday, the 30th day of September, 2021 at 12.30 P.M. at the Registered Office of the Company situated at 215-216, Vikram Tower, Sapna Sangeeta Road, Indore (M.P.) 452001 to transact the following business:

**ORDINARY BUSINESS:-**

**1.** To receive, consider and adopt the Audited Financial Statements of the Company on Standalone and Consolidated basis as at 31st March, 2021 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.

**2.** To re-appoint a Director in place of Mrs. Sangeeta Kacholia (DIN: 07817342), who retires by rotation and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS:-**

**3. RE-APPOINTMENT OF MR. ROHAN KACHOLIA (DIN:03623354) AS A WHOLE-TIME DIRECTOR OF THE COMPANY**

*To consider and if thought fit, to pass, with or without modification(s), the following resolution as a* ***Special Resolution:***

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 198 read with Schedule V and/or any other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel)Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the members be and is hereby accorded for the re-appointment of Mr. Rohan Kacholia (DIN:03623354) as a Whole-Time Director of the Company for a period of 5 (Five) years on expiry of his present term of office, i.e. with effect from 25th April, 2022 to 24th April, 2027 on such terms and conditions including remuneration, as set out in the statement annexed to the Notice convening this meeting as recommended by the Nomination and Remuneration Committee and the Board of Directors, with the liberty to the Board to alter and vary the terms and conditions of the said re-appointment and/ or remuneration as it may deem fit and as may be acceptable to Mr. Rohan Kacholia, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modifications or re-enactment thereof and shall be liable to retire by rotation;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**4. RE-APPOINTMENT OF MR. VIJAY NICHANI (DIN:03136935) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR**

*To consider and if thought fit, to pass with or without modification(s), the following resolution as a* ***Special Resolution****:*

**"RESOLVED THAT** pursuant to the provisions of Sections 149,150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Vijay Nichani (DIN:03136935), who was appointed as a Non Executive Independent Director of the Company by the members of the Company with effect from 18th May, 2017 to hold the office for 5 (Five) consecutive years, and whose re-appointment as an Independent Director is recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as a Non- Executive Independent Director of the Company for a 2nd term of 5 (Five) consecutive years with effect from 18th May, 2022 not subject to retirement by rotation, upon such remuneration as may be determined by the Board of Directors of the Company from time to time within the overall limits of remuneration under the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**5. REGULARIZATION OF APPOINTMENT OF MRS. POOJA CHORDIA (DIN:09196546) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR**

*To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an* ***Ordinary Resolution:***

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Pooja Chordia (DIN: 09196546) who has been appointed as an Additional Director in the capacity of Non- Executive Independent Director of the Company by the Board of Directors with effect from10th June, 2021 in terms of Section 161 of the Companies Act, 2013, and whose appointment as an Independent Director is recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as a Non- Executive Independent Director of the Company for a period of five consecutive years with effect from 10th June, 2021, not subject to retirement by rotation, upon such remuneration as may be determined by the Board of Directors of the Company from time to time within the overall limits of remuneration under the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**6. REGULARIZATION OF APPOINTMENT OF MRS. SHRIBALA MANDHANYA (DIN:09198012) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR**

*To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:***

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Shribala Mandhanya (DIN:09198012) who has been appointed as an Additional Director in the capacity of Non- Executive Independent Director of the Company by the Board of Directors with effect from 10th June, 2021 in terms of Section 161 of the Companies Act, 2013, and whose appointment as an Independent Director is recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as a Non- Executive Independent Director of the Company for a period of five consecutive years with effect from 10th June, 2021, not subject to retirement by rotation, upon such remuneration as may be determined by the Board of Directors of the Company from time to time within the overall limits of remuneration under the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By the order of the board**
**FOR AND ON BEHALF OF**
**SHANTI OVERSEAS (INDIA) LIMITED**

**RAMITA OTWANI**
**COMPANY SECRETARY**
**ACS:28101**

**PLACE: INDORE**
**DATE: 6TH SEPTEMBER, 2021**

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**NOTES**

1. **PURSUANT TO SECTION 105 OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 10TH 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 MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of maximum of 50 members 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 Member.
2. Every Member entitled to vote at a meeting of the Company, or on any resolution to be moved there at, 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.

3. A proxy form is enclosed herewith. In case a Member 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.
4. Corporate Members 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 10th Annual General Meeting.
5. Members 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 Members 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.
6. Members/Proxies attending the meeting are requested to bring the duly completed attendance slip (which has been enclosed herewith) to the 10th Annual General Meeting.
7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours.
8. The AGM will be held at the said venue by strictly adhering to Social Distancing norms and other safety protocols including face masks, hand sanitization etc. as per the latest guidelines/advisories/SOP issued by the Ministry of Health and Family Welfare, Government of India and the State/Local Government amid COVID-19 Pandemic. Entry to the venue will be made in such a manner according to the maximum permissible limit for a gathering at a place as per lock down restrictions prevailing at that time.
9. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies and has issued a circular on 21st April, 2011 stating that the service of documents by a Company can be made through electronic mode or since the requirement of printing and dispatch of hard copy of annual report to the shareholders are dispensed with for listed entities who conduct their AGMs during the calendar year 2021 (i.e. till 31st December, 2021) by SEBI vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021, therefore the Annual Report for the Financial Year 2020-21 is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories/RTA. Members may note that the Notice and Annual Report of 2020-2021 will also be available on the Company's website.
10. 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 Members whose name appears in the prelist furnished by NSDL and CDSL as Beneficial Owner as on 3rd September, 2021 at the email ids registered with the Company/RTA/DP for communication purpose.
11. Members 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.
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 to the Registrar and Share Transfer Agent, Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai -400 083, Maharashtra.
14. The Company has set Thursday, 23rd September, 2021 as the "cut-off Date" for taking record of the Members of the Company who will be eligible for casting their vote on the resolutions to be passed in the ensuing 10th Annual General Meeting, by means of Voting by Physical Mode through polling papers.
15. The Board of Directors of the Company have appointed M/s. Archna Maheshwari & Co., Practicing Company Secretaries, Indore as the scrutinizer, for conducting the Poll Paper Voting process for the 10th Annual General Meeting in a fair and transparent manner.
16. The Resolutions 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 Members had assented to the Resolution.
17. The Scrutinizer shall, immediately after the conclusion of voting at the 10th 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 indicating total votes cast in favor or against, if any, to the Chairman or a person authorized by her 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. Members may note that the Notice of this meeting has been posted under the Investor Tab on Company's Website www.shantioverseas.com.
19. In case of joint-holding, the Voting Poll Paper must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.

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 10th Annual General Meeting is annexed herewith.

23. The respective Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 3, 4,5 and 6 of the accompanying Notice is annexed hereto.

**STATEMENT IN PURSUANCE OF SECTION 102(1) OF THE COMPANIES ACT, 2013**

**3. RE-APPOINTMENT OF MR. ROHAN KACHOLIA (DIN:03623354) AS A WHOLE-TIME DIRECTOR OF THE COMPANY**

The present term of appointment of Mr. Rohan Kacholia (DIN:03623354) as a Whole-Time Director of the Company will expire on 24th April, 2022. In recognition of the leadership and strategic guidance provided by him over the last couple of years, the Nomination & Remuneration Committee has recommended his re-appointment for a further period of 5 (five) years with effect from 25th April, 2022 and the same was approved by the Board of Directors, subject to the approval of members in the ensuing Annual General Meeting of the Company. In terms of the provisions of Section 197 and Schedule V of the Companies Act, 2013, the Nomination and Remuneration Committee has recommended the remuneration, perquisites payable to Mr. Rohan Kacholia and other terms & conditions as follows:-

| | |
|---|---|
| **Basic Salary exclusive of all allowances** | INR 1,60,000/- per month. The Whole-Time Director shall be entitled to such increment from time to time as the Board may determine by its discretion. |
| **Perquisites and allowances in addition to salary** | A. House Rent Allowance: The Company will pay House Rent Allowance of INR 56,000/- per month to the Whole-Time Director.<br>B. Conveyance Allowance: The Company will pay Conveyance Allowance of INR 64,000/- per month to Whole-Time Director.<br>C. Children Education Allowance: The Company will pay Children Education Allowance of INR 80,000 per month to the Whole-Time Director.<br>D. Medical Allowance: The Company will pay Medical Allowance of INR 40,000/- per month to the Whole-Time Director.<br>Any other benefits, facilities, allowance and expenses as may be allowed under the Company rules/schemes.<br>Note: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the appointee.<br>Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rule, Perquisites shall be evaluated at actual cost. |
| **Retirement Benefits** | A. Gratuity payable shall be in accordance with the rules of the Companies Act and Gratuity Rules.<br>B. Earned Leave on full pay and allowances as per the rules of the Company, leaves accumulated shall be encashable at the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites. |
| **Other benefits** | A. The Whole-Time Director shall be entitled to reimbursement of expenses like Vehicle, Guest Entertainment, Travelling Expenses actually and properly incurred during the course of doing legitimate business of the company.<br>B. The appointee shall be eligible for Housing, Education and Medical Loan and other Loans or facilities as applicable in accordance with the rules of the company and in compliance with the provisions of the Companies Act, 2013. |
| **Minimum Remuneration** | The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit set out under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.<br>Provided that where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to the Whole-Time Director as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act or any other approvals as may be required under law. |

His office shall be liable to retire by rotation.

Mr. Rohan Kacholia is a master of Science (International Business) from the University of Leeds, Bachelor of Engineering (IT) and is specialized in the Production and Marketing of commodities.

Besides, as per the provision of section 197(3) and Part II of Schedule V of the Companies Act, 2013 where in any financial year during the currency of tenure of a managerial person, a Company has no profit or its profit are inadequate the appointment of a person as managerial personnel is to be approved by the members by passing a special resolution.A Statement as per Schedule V (third proviso of Section II of Part II) in respect of appointment of Mr. Rohan Kacholia as an Executive Director is annexed hereto which forms part of this explanatory statement.

None of the Directors or any key managerial personnel or their relatives are in any way, financially or otherwise, directly or indirectly, concerned or interested in the aforesaid resolution except Mr. Mukesh Kacholia, Mr. Ayush Kacholia, Mrs. Karuna Kacholia, Mrs. Sangeeta Kacholia and Mrs. Namrata Kacholia.

The Board recommends passing of the Resolution as set out in Item No. 3 for approval of the members as a Special Resolution.

**4. RE-APPOINTMENT OF MR. VIJAY NICHANI (DIN:03136935) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR**

The present term of appointment of Mr. Vijay Nichani (DIN:03136935) as a Non-Executive Independent Director of the Company will expire on 17th May, 2022. He is discharging his duties efficiently and having adequate qualification and experience of many years. His experience, commitment and capabilities are playing crucial role in the growth of the Company, therefore, on the recommendation of the Nomination & Remuneration Committee, the Board of Directors has approved his re-appointment for a 2nd term of 5 (five) consecutive years with effect from 18th May, 2022, subject to the approval of members in the ensuing Annual General Meeting of the Company.

The resolution seeks approval of members for re-appointment of Independent Director, for the smooth running of business activity and in compliance of Section 149 and 152 of the Companies Act, 2013.

The Company has received a declaration from Mr. Vijay Nichani confirming that he meets the criteria of Independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also received his consent in writing to act as a Director in terms of Section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. In the opinion of the Board, Mr. Vijay Nichani fulfils the conditions specified in the Companies Act, 2013 and rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Director and he is Independent of the management.

A copy of the draft letter of appointment of Mr. Vijay Nichani as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. Brief profile of Mr. Vijay Nichani is also annexed hereto which forms part of this explanatory statement.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution.

The Board considers that his continued association would be of immense benefit to the Company. Accordingly, the Board recommends passing of the Resolution at Item No. 4 of the Notice as a Special Resolution.

**5. REGULARIZATION OF APPOINTMENT OF MRS. POOJA CHORDIA (DIN: 09196546) AS A NON- EXECUTIVE INDEPENDENT DIRECTOR**

Mrs. Pooja Chordia (DIN: 09196546) was appointed by the Board as an Additional Director in the capacity of Independent Director (Non-Executive) of the Company w.e.f. 10th June, 2021, in terms of section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Article 104 of the Articles of Association of the Company. As per the provisions of Section 161 of the Companies Act, 2013, the “Additional Director” so appointed shall hold office upto the date of the next Annual General Meeting. Accordingly Mrs. Pooja Chordia, as an Additional Director, holds office upto the date of this Annual General Meeting.

The resolution seeks approval of members for the appointment of Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013.

The Company has received a declaration from Mrs. Pooja Chordia confirming that she meets the criteria of Independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also received her consent in writing to act as a Director in terms of Section 152 of the Companies Act, 2013 and a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.In line with the aforesaid provisions of the Act and considering Mrs. Pooja Chordia’s deep knowledge and varied exposure in the field of Finance, Auditing and Accounting, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint her as a Non-Executive Independent Director for a period of five consecutive years with effect from 10th June, 2021 on the Board of the Company. In the opinion of the Board, Mrs. Pooja Chordia fulfils the conditions specified in the Companies Act, 2013 and rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her appointment as an Independent Director and she is Independent of the management.

A copy of the draft letter of appointment of Mrs. Pooja Chordia, as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. Brief profile of Mrs. Pooja Chordia is also annexed hereto which forms part of this explanatory statement.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution.

Accordingly, for the smooth management of the affairs of the Company, the Board recommends passing of the Resolution as set out in Item No. 5 for approval of the members as an Ordinary Resolution.

**6. REGULARIZATION OF APPOINTMENT OF MRS. SHRIBALA MANDHANYA (DIN:09198012) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR**

Mrs. Shribala Mandhanya (DIN: 09198012) was appointed by the Board as an Additional Director in the capacity of Independent Director (Non-Executive) of the Company w.e.f. 10th June, 2021, in terms of section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Article 104 of the Articles of Association of the Company. As per the provisions of Section 161 of the Companies Act, 2013, the "Additional Director" so appointed shall hold office upto the date of the next Annual General Meeting. Accordingly Mrs. Shribala Mandhanya, as an Additional Director, holds office upto the date of this Annual General Meeting.

The resolution seeks approval of members for the appointment of Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013.

The Company has received a declaration from Mrs. Shribala Mandhanya confirming that she meets the criteria of Independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also received her consent in writing to act as a Director in terms of Section 152 of the Companies Act, 2013 and a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. In line with the aforesaid provisions of the Act and considering Mrs. Shribala Mandhanya's dynamic qualifications work experience in the areas of Financial Management including Planning & Budgeting, Profit Maximization, Cost Management and excellent relationship building & interpersonal skills, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint her as a Non-Executive Independent Director for a period of five consecutive years with effect from 10th June, 2021 on the Board of the Company. In the opinion of the Board, Mrs. Shribala Mandhanya fulfils the conditions specified in the Companies Act, 2013 and rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her appointment as an Independent Director and she is Independent of the management.

A copy of the draft letter of appointment of Mrs. Shribala Mandhanya as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. Brief profile of Mrs. Shribala Mandhanya is also annexed hereto which forms part of this explanatory statement.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution.

Accordingly, for the smooth management of the affairs of the Company, the Board recommends passing of the Resolution as set out in Item No.6 for approval of the members as an Ordinary Resolution.

## ANNEXURE TO THE NOTICE

**Details of Directors seeking Appointment /Reappointment at the 10th Annual General Meeting in pursuance of provisions of the Companies Act, 2013 & Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.**

| Name of the Director | Mrs. Sangeeta Kacholia (DIN: 07817342) | Mr. Rohan Kacholia (DIN: 03623354) | Mr. Vijay Nichani (DIN: 03136935) | Mrs. Pooja Chordia (DIN: 09196546) | Mrs. Shribala Mandhanya (DIN: 09198012) |
|---|---|---|---|---|---|
| **Date of Birth** | 27/01/1967 | 09/01/1991 | 06/01/1959 | 22/09/1987 | 26/05/1990 |
| **Nationality** | Indian | Indian | Indian | Indian | Indian |
| **Date of Appointment** | 18/05/2017 | 25/10/2013 | 18/05/2017 | 10/06/2021 | 10/06/2021 |
| **Qualification** | B.A. (1st year) | Master of Science (International Business) from University of Leeds, Bachelor of Engineering (IT) | Master of Surgery | CA (Chartered Accountant), B.COM | CA(Chartered Accountant) |
| **Experience** | 4 years of experience in looking after the business affairs | 8 years of experience in Production and Marketing of Commodities | 44 years of experience in business field | Varied exposure of 10 years in the field of Finance, Auditing and Accounting. | Work Experience of 8 years in the areas of Financial Management including Planning & Budgeting, Profit Maximization & Cost Management. |
| **No. of Shares held in the Company as on 31st March, 2021** | 808125 Equity Shares of INR 10/- each | 1701000 Equity Shares of INR 10/- each | Nil | Nil | Nil |
| **Relationship with other Directors, Manager and other** | Mr. Mukesh Kacholia – Spouse<br>Mr. Ayush Kacholia – Son<br>Mr. Rohan Kacholia - Son<br>Mrs. Karuna Kacholia- Son's Wife<br>Mrs. Namrata Kacholia- Son's Wife | Mr. Mukesh Kacholia – Father<br>Mrs. Sangeeta Kacholia -Mother<br>Mr. Ayush Kacholia - Brother<br>Mrs. Karuna Kacholia - Brother's Wife<br>Mrs. Namrata Kacholia- Spouse | No Relation | No Relation | No Relation |
| **Number of Meetings of the Board attended during the year** | 5 | 6 | 6 | Nil | Nil |
| **Directorship in other Companies** | Nil | 1. Biograin Protinex Private Limited<br>2. Shaan Agro Oils & Extractions Private Limited | 1. Eureka Hospital & Research Centre Private Limited.<br>2. Anandmayee Milk and Milk Products India Private Limited | Nil | Nil |
| **Chairman/Members of the Committees of Board of other Companies** | No | No | No | No | No |

# BOARD'S REPORT

**To,**

**The Members,**

**Shanti Overseas (India) Limited,**

**Dear Members,**

Your Directors delightfully present the 10th Annual Report on the Business & Operations of **Shanti Overseas (India) Limited ('the Company')** along with the Audited Standalone and Consolidated Financial Statements for the financial year ended on 31st March, 2021.

## FINANCIAL HIGHLIGHTS

The financial performance of the Company for the Financial Year ended on 31st March, 2021 and for the previous Financial Year ended on 31st March, 2020 is given below:

**(Amount in INR)**

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| **Revenue from operations** | 1,80,07,99,625 | 1,46,00,89,354 |
| **Miscellaneous income** | 30,55,021 | 30,21,774 |
| **Total Revenue** | **1,80,38,54,646** | **1,46,31,11,128** |
| **Total Expenses** | 1,81,18,38,942 | 1,45,59,80,646 |
| Profit Before Exceptional and Extraordinary items and Tax | (79,84,296) | 71,30,482 |
| Exceptional Items | - | - |
| Profit Before Extraordinary Items | (79,84,296) | 1,30,482 |
| Tax Expense: Current Tax | 1,22,469 | 35,00,000 |
| Deferred Tax | (21,58,935) | (11,04,680) |
| **Profit for the period** | **(59,47,830)** | **47,35,161** |
| **Earnings per Share (EPS)** | | |
| **Basic** | **(0.54)** | **0.43** |
| **Restated** | **(0.54)** | **0.43** |

**Note:** Previous year figures have been reclassified/regrouped wherever necessary, to correspond with those of the current year.

## OPERATIONS

The total revenue from operations of the Company is INR 18,007.99 Lakh and the profit before tax amounted to INR (79.84) Lakh and the net profit after tax amounted to INR (59.47) Lakh . The EBITD is INR 512.74 Lakh, which is 2.85% of Turnover.

## THE STATE OF COMPANYS' 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 INR 18,007.99 Lakh.The directors are thankful to all its suppliers for on time delivery of the products. However, due to lockdown, there was shortage of labours and unavailability of containers at the port. The effort of our suppliers is the backbone of our Company. The Company has tried and will keep the efforts to associate as many customers as possible.

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 that the Company has received from them and hope that the Company continues to receive the same support in the coming future. The directors take pleasure to announce that the turnover targets of the Company will continue to be achieved in the coming years as well.

## CHANGE IN NATURE OF BUSINESS

The Company is engaged in the business of Trading and Manufacturing of Agri-Commodities and there were no changes in the nature of business of the Company during the year under review.

## DIVIDEND

Considering the performance and the state of affairs of the Company and keeping in mind the COVID-19 pandemic, your Directors have decided not to recommend any dividend on Equity Shares for the year under review to cater the growing need of funds for business operations of the Company.

## RESERVES

The Company has a Closing Balance of INR 1915.86 Lakh (INR Nineteen Crore Fifteen Lacs Eighty Six Thousand) as Reserves and Surplus as on 31st March, 2021.

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

| Sr. No. | Particulars | Amount in INR |
|---|---|---|
| 1. | Balance at the beginning of the year | 15,43,94,279 |
| 2. | Bonus issue of shares | - |
| 3. | Amount of Securities Premium | 4,31,40,000 |
| 4. | Current Years Profit | (59,47,830) |
| | **Balance as on 31st March, 2021** | **19,15,86,449** |

## ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return on its website and the same can be accessed through www.shantioverseas.com. The Company is not required to provide the extract of Annual Return (Form MGT-9) as a part of this Board's Report by the virtue of amendment in Section 92(3) of the Companies Act, 2013.

## IMPACT OF COVID

The outbreak of subsequent wave of the COVID-19 pandemic led to an unprecedented health crisis and disrupted economic activities and trade globally. During the FY 2020-21, the Government of India had imposed a stringent nation-wide lockdown which severely impacted the business activities and profitability of the Company.

Keeping in mind the government guidelines related to COVID-19 and the practical constraints of continuing operations, procurement, Storage, dispatches, safety and health of its employees and other stakeholders, the Company suspended its operations from 1st April 2020 to 31st May 2020. The protection and safety of our employees and the communities in which we operate and run our operations effectively and efficiently is the first and foremost priority of the Company with an aim to serve our customers. As the outbreak of COVID-19 spread in India, the Company initiated measures to safeguard the health and ensure welfare of all its employees across all locations, including measures like work from home, staggered shift timing, proper sanitisation of premises at regular intervals and strict adherence of all the Social Distancing norms at the workplace to minimise the exposure and to ensure safe working practices across all our plants and to maintain general hygiene.

## MIGRATION FROM SME BOARD TO MAIN BOARD

It gives immense pleasure to your Directors to inform that pursuant to the Special Resolution passed by the members of the Company on 17th February, 2021 by Postal Ballot for migration of the Company from NSE Emerge (SME Platform of NSE) to the Main Board of NSE, the Company has received in-principal approval for Migration of Specified Securities (Equity Shares) to the main Board of NSE. Further, the Company has moved an application to the Stock Exchange for final approval and awaiting confirmation for the same.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

**A. Confirmation of Appointment**

1. Pursuant to the provisions of section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, Mrs. Pooja Chordia (DIN: 09196546) was appointed as an Additional Director in the capacity of Non-Executive Independent Director of the Company with effect from 10th June, 2021 and she shall hold the office only up to the date of this Annual General Meeting and being eligible offers herself for appointment as an Independent Director of the Company to hold the office for 5 (five) consecutive years.
2. Pursuant to the provisions of section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, Mrs. Shribala Mandhanya (DIN:09198012) was appointed as an Additional Director in the capacity of Non-Executive Independent Director of the Company with effect from 10th June, 2021 and she shall hold the office only up to the date of this Annual General Meeting and being eligible offers herself for appointment as an Independent Director of the Company to hold the office for 5 (five) consecutive years.

**B. Directors seeking Re-appointment**

1. Mrs. Sangeeta Kacholia, Non-Executive Director (DIN: 07817342) retires from the Board by rotation and being eligible, offers herself for reappointment.

2. Re-appointment of Mr. Rohan Kacholia (DIN: 03623354) as a Whole-Time Director of the Company for a period of 5 (Five) years on expiry of his present term of office.

3. Re-appointment of Mr. Vijay Nichani (DIN:03136935) as Non-Executive Independent Director of the Company for a 2nd term of 5 (Five) years on expiry of his present term of office.

**C. Directors and Key Manegarial Personnel**

The Directors and Key Managerial Personnel of the Company are as tabled 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. Vijay Nichani | Independent Director | 03136935 |
| 6. | Mr. Sudeep Satyendra Saxena | Independent Director | 05129819 |
| 7. | Mrs. Karuna Kacholia | Chief Financial Officer | ASXPA9008M |
| 8. | Mrs. Ramita Otwani | Company Secretary | ABAPO7882M |

**Mrs. Pooja Chordia (DIN:09196546) and Mrs. Shribala Mandhanya (DIN: 09198012) were appointed as Additional Directors in the capacity of Non-Executive Independent Directors by the Board of Directors of the Company w.e.f. 10th June, 2021.*

**<u>BOARD MEETINGS AND ATTENDANCE</u>**

The Directors of the Company met at regular intervals as prescribed in the Companies Act, 2013 and the SEBI Listing Regulations to take overview of the Company's policies and strategies apart from other Board matters. The Notice of the Board Meetings were 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 6 (Six) times and the Board Meetings were held on 31st July, 2020, 11th August, 2020, 21st August, 2020, 3rd September, 2020, 10th November, 2020 and 14th January, 2021.

**Attendance of the Directors in the Board Meetings is as follows:**

| Sr. No. | Name of the Director | No. of Board Meeting | |
|---|---|---|---|
| | | Entitled | Attended |
| 1. | Mr. Mukesh Kacholia | 6 | 6 |
| 2. | Mr. Ayush Kacholia | 6 | 6 |
| 3. | Mr. Rohan Kacholia | 6 | 6 |
| 4. | Mr. Vijay Nichani | 6 | 6 |
| 5. | Mrs. Sangeeta Kacholia | 6 | 5 |
| 6. | Mr. Sudeep Satyendra Saxena | 6 | 6 |

**<u>COMMITTEES OF THE BOARD:</u>**

The Matters of policy and other relevant and significant information are furnished regularly to the Board. To provide better Corporate Governance & transparency, currently, your Board has Four (4) Committees viz., Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee to look into various aspects for which they have been constituted. The Board fixes the terms of reference of the Committees and also delegate powers from time to time.

**A. <u>Audit Committee</u>**

**1. Meetings held during the year:**

During the year under review, Four (4) meetings of the Audit Committee were held on 31st July, 2020, 3rd September, 2020, 10th November, 2020 and 14th January, 2021.

**2. Composition and Attendance of the Committee:**

**The attendance records and Composition of the Committee are as follows:**

| Name of Members | Status | No. of Committee Meeting entitled | No. of Committee Meeting attended |
|---|---|---|---|
| Mr. Vijay Nichani<br>Independent Director | Chairman | 4 | 4 |
| Mr. Mukesh Kacholia<br>Managing Director | Member | 4 | 4 |
| Mr. Sudeep Satyendra Saxena<br>Independent Director | Member | 4 | 4 |

All the recommendations made by the Audit Committee were accepted by the Board.

**B. Nomination and Remuneration Committee**

**1. Meetings held during the year:**

During the year under review, One (1) meeting of the Nomination and Remuneration Committee was held on 3rd September, 2020.

**2. Composition and Attendance of the Committee:**

The attendance records and Composition of the Committee are as follows:

| Name of Members | Status | No. of Committee Meeting entitled | No. of Committee Meeting attended |
|---|---|---|---|
| Mr. Vijay Nichani<br>Independent Director | Chairman | 1 | 1 |
| Mrs. Sangeeta Kacholia<br>Non-Executive Director | Member | 1 | 1 |
| Mr. Sudeep Satyendra Saxena<br>Independent Director | Member | 1 | 1 |

All the recommendations made by the Nomination and Remuneration Committee were accepted by the Board.

**C. Stakeholders Relationship Committee**

**1. Meetings held during the year:**

During the year under review, Four (4) meetings of the Stakeholders Relationship Committee were held on 31st July, 2020, 3rd September, 2020,10th November, 2020 and 14th January, 2021.

**2. Composition and Attendance of the Committee:**

The attendance records and composition of the Committee are as follows:

| Name of Members | Status | No. of Committee Meeting entitled | No. of Committee Meeting attended |
|---|---|---|---|
| Mr. Vijay Nichani<br>Independent Director | Chairman | 4 | 4 |
| Mr. Ayush Kacholia<br>Whole Time Director | Member | 4 | 4 |
| Mr. Sudeep Satyendra Saxena<br>Independent Director | Member | 4 | 4 |

**D. Corporate Social Responsibility Committee**

**1. Meetings held during the year:**

During the year under review, One (1) meeting of Corporate Social Responsibility Committee was held on 10th November, 2020.

**2. Composition and Attendance of the Committee:**

The attendance records and Composition of the Committee are as follows:

| Name of Members | Status | No. of Committee Meeting entitled | No. of Committee Meeting attended |
|---|---|---|---|
| Mr. Vijay Nichani<br>Independent Director | Chairman | 1 | 1 |
| Mr. Mukesh Kacholia<br>Managing Director | Member | 1 | 1 |
| Mr. Ayush Kacholia<br>Whole Time Director | Member | 1 | 1 |

**SEPERATE MEETING OF INDEPENDENT DIRECTORS**

As stipulated by the Code of Independent Directors under the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 10th November, 2020 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.

**DECLARATION BY INDEPENDENT DIRECTORS**

The Independent Directors of the Company 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 Independence as mentioned under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The confirmations were noted by the Board.

**NON-DISQUALIFICATIONS OF DIRECTORS**

During the Financial Year 2020-21 under review, the Company has received Form DIR-8 from all Directors as required under the provisions of Section 164(2) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 that none of the Directors of your Company is disqualified; to hold office as director disqualified as per the provisions of Section 164(2) of the Companies Act, 2013 and debarred from holding the office of a Director pursuant to any order of the SEBI or any such authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June 2018 on the subject "Enforcement of SEBI orders regarding appointment of Directors by Listed Companies.

All the Directors of the Company are non-disqualified and the certificate for the same has been obtained from the Practicing Company Secretary is enclosed as **ANNEXURE - 1**

**FORMAL ANNUAL EVALUATION PROCESS BY BOARD**

Pursuant to the provisions of the 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 all the Non Independent Directors (including the Chairman) were also evaluated by the Independent Directors at the separate meeting of Independent Directors of the Company.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

In accordance with the provisions 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 the financial year ended on 31st March, 2021, the applicable Accounting Standards have 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 the financial year and of Loss incurred for the year ended on 31st March, 2021;

iii. The Directors had taken proper and sufficient care for 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 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;

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.

**AUDITORS:**

1. **STATUTORY AUDITOR**

At the 8th AGM held on 27th September, 2019, the Members of the Company approved the appointment of M/s. Muchhal & Gupta, Chartered Accountants, (FRN: 004423C) as the Statutory Auditors of the Company to hold the office for a period of 5 (five) years from the conclusion of that AGM till the conclusion of the 13th AGM.

2. **INTERNAL AUDITOR**

The Board has appointed M/s. S. Ramanand Aiyar & Co. (FRN: 000990N) as the Internal Auditors of the Company to conduct Internal Audit for the Financial Year 2020-21 at such remuneration as decided by the Board of Directors of the Company.

3. **SECRETARIAL AUDITOR**

The Board appointed M/s. Archna Maheshwari & Co., Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2020-21. The Secretarial Audit Report for the Financial Year ended on 31st March, 2021 is annexed herewith marked as **ANNEXURE -2** to this report.

**REVIEW OF AUDITOR'S REPORT AND SECRETARIAL AUDITOR'S REPORT**

There are no qualifications, reservations or adverse remarks made by Statutory Auditors M/s. Muchhal & Gupta, Chartered Accountants, (FRN: 004423C), in the Auditor's Report.

The report of the Secretarial Auditor for the F.Y. 2020-21 submitted by M/s. Archna Maheshwari & Co., Practicing Company Secretary also does not contain any qualifications. There are no qualifications in the reports and hence do not call for any further explanation.

**REPORTING OF FRAUD BY AUDITORS**

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

**SHARE CAPITAL**

**AUTHORISED SHARE CAPITAL**

The Authorised Share Capital of the Company is INR 12,00,00,000 (INR Twelve Crore Only ) divided into 1,20,00,000 (One Crore Twenty Lakh) equity shares of INR 10 (INR Ten Only) each.

**PAID UP SHARE CAPITAL**

The Paid-up Share Capital of the Company is INR 11,10,60,000 (INR Eleven Crore Ten Lakh Sixty Thousand Only) divided into 1,11,06,000 (One Crore Eleven Lakh Six Thousand) equity shares of INR 10 (INR Ten Only) each.

A. **Issue of Bonus Equity Shares**

The Company has not issued any Bonus shares during the financial year under review as per the provisions of Sections 23, 39, 63 and all other applicable provisions of the Companies Act, 2013.

B. **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.

C. **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.

D. **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.

E. **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.

**POLICIES OF THE COMPANY**

**POLICY ON NOMINATION AND REMUNERATION COMMITTEE**

The Company has a detailed policy on remuneration of Directors and senior management employees, details of the same are given on the website of the Company www.shantioverseas.com.

The committee performs the following duties:

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.

**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 same is made available on the website of the Company www.shantioverseas.com.

The Code requires Trading Plan, preclearance 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.

**CORPORATE SOCIAL RESPONSIBILITY**

The provisions of CSR are not applicable on the Company for the Financial Year 2020-21 taking into account the financials of immediate preceding Financial Year i.e. 2019-20. The Company does not fall in any of the limits as prescribed under Section 135 of Companies Act, 2013 amended by the Companies (Amendment) Act, 2017 which come into effect from 19th September, 2018.

The Annual Report on CSR activities is annexed herewith as **ANNEXURE- 3** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy of Corporate Social Responsibility is made available on the website of the Company at www.shantioverseas.com.

**VIGIL MECHANISM/WHISTLE BLOWER 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.

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 policy may be accessed on the Company's website at the link: www.shantioverseas.com.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

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

**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 arms length basis and there is 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 part of the notes to financial statements.

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTION**

Your Company has adopted policy on Materiality of Related Party Transactions to set out the manner of entering into transactions with the related parties.

The Policy on Materiality of Related Party Transactions has been made available on the website of the Company www.shantioverseas.com.

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval was obtained for related party transactions of repetitive nature and were entered in the ordinary course of business. The Company have not entered into any contracts or arrangements with related parties in terms of Section 188(1) of the Act.

**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 SAP B1 module of accounting ensures strong financial control from beginning till end. It also ensures security of financial information from any data tampering.

The Head of Company's Internal Audit Team together with the Internal Auditors of the Company consult and review the effectiveness and efficiency of these systems and procedures to ensure that all assets are protected against any loss and that the financial and operational information is accurate and complete in all respects.

**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 which occurred between the end of the financial year to which this financial statement relates and up to the date of Report.

The outbreak of Corona Virus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company is into the business of "Manufacturing & Sale of Soya Products and related items". The Company has evaluated impact of this pandemic on its business operations. The outbreak of Corona Virus (COVID-19) Pandemic has caused significant disturbance and slowdown of economic activity globally and in India. The following factors have affected the top line of the Company:

1. Since January, 2020 there was unavailability of containers for export of containers to KOREA, Europe etc due to COVID-19 impact worldwide.The freight rates to US & Europeon countries had increased manifold in this financial year which has reduced the margins and badly affected the industry.
2. Around 30% of Soyabean crop has been damaged during the Financial Year 2020-21, the same has significant impact on overall turnover and margin as the prices are volatile in conditions of shortage and it is difficult to hedge the entire exposure.
3. The Government has decreased Export incentive (MEIS) from 10% in the last financial year to 5% in 2019-20. This has directly affected the Gross Profit margins of the company because we have contracts booked in advance for coming six months.

   Due to the nature of pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

**TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven year. Therefore, there was no requirement to transfer any amount to the Investor Education and Protection Fund (IEPF).

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

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & 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 has 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 as 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 EARNINGS & OUTGO

| Particulars | 2020-21 (Amount in INR) | 2019-20 (Amount in INR) |
|---|---|---|
| Foreign exchange earnings in terms of actual inflows | 67,92,96,235 | 82,08,93,114 |
| Foreign exchange outgo in terms of actual outflows | 26,52,24,041 | 1,28,81,811 |

*** FOB Value of Exports & CIF Value of Imports.**

**STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

Your Company is well aware of risks associated with its business operations and various project under execution. Comprehensively risk management system is being put in place involving classification of risk, adoption of risk mitigation measures and strong mechanism to deal with potential risks and situation leading to rise of risks in an effective manner. The Company is constantly on the lookout for identifying opportunities to enhance its enterprise value and keeping the need to minimize the risks associated with such efforts, every proposal of significant nature is screened and evaluated for the risks involved and then approved at different levels in the organisation before implementation. Senior professionals conversant with risk management systems have been entrusted with the said task with a brief to implement the risk management.

The Company is not statutorily required to form risk management committee. However, the Audit Committee of the Company evaluates the risk management system regularly.

**APPLICABILITY OF THE INDIAN ACCOUNTING STANDARDS (“IND AS”)**

Effective 1st April 2020, the Company has adopted the Indian Accounting Standards (‘Ind AS’) notified by the Ministry of Corporate Affairs with the transition date of 1st April 2019.

**DEMATERIALIZATION:**

As on 31st March, 2021 all equity shares of the Company are held in dematerialized form. The breakup of equity shares as on 31st March, 2021 is as follows:

| Particulars | No. of Shares | Percentage |
|---|---|---|
| NSDL | 9,49,500 | 08.55% |
| CDSL | 1,01,56,500 | 91.45% |
| **Total** | **1,11,06,000** | **100.00%** |

**RECONCILIATION OF SHARE CAPITAL AUDIT**

In line with the requirements stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL) tally with the total number of issued, paid up, listed and admitted capital of the Company.

**POSTAL BALLOT**

During the Financial year 2020-21, the Members of the Company has passed a Special Resolution on 17th February, 2021 by Postal Ballot for migration of the Company’s specified securities (Equity Shares) listed on NSE Emerge [SME Platform of National Stock Exchange of India Ltd. (NSE)] to the Main Board of NSE Ltd. Except this no ordinary or special resolution was passed through postal ballot.

**CORPORATE GOVERNANCE**

During the period under review, 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 Boards' Report.

**SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES**

During the Financial year 2020-21, the Company does not have any Associate. However, the Company has 2 (two) Subsidiary Companies pursuant to section 2(47) (i) of the 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. A report on the performance and the financial position of the subsidiaries as per Form AOC-1 is annexed to this report as **ANNEXURE - 4**. During the year under review, there has been no material change in the business of the Company's subsidiary company.

The Consolidated Financial Statements presented by the Company for the year ended 31st March, 2021 are prepared in accordance with Section 129(3) of the Act and include the financial results of all its subsidiary companies, which forms part of this Annual Report.

**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.

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.

**SIGNIFICANTAND 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.

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

The 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 case reported realting to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

**PARTICULARS OF EMPLOYEES**

During the year under review, none of the employees is drawing remuneration which is in excess of the limit as prescribed under Section 197 of the Companies Act, 2013 read with 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 - 5** to the Board Report:

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

**LISTING INFORMATION**

During the period under review, the Equity Shares of the Company are listed on NSE EMERGE Platform and all Equity Shares are held in dematerialized form. The ISIN No. of the Company is INE933X01016.

**STATEMENT PURSUANT TO LISTING AGREEMENT**

The Equity Shares of the Company are listed at National Stock Exchange Limited (SME segment). The Annual Listing fee for the year 2020-21 has been paid on time.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report providing Company's Current working and future outlooks forms an integral part of this report, as **ANNEXURE - 6**.

**SEBI COMPLAINTS REDRESS SYSTEM (SCORES)**

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. Your Company is registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint. The Company has received 1 (One) complaint on the SCORES during the Financial Year 2020-21 and the same was resolved timely.

**ACKNOWLEDGEMENT**

Your Directors take this opportunity to place on record their gratitude to the Central and State Governments, Bankers, Investors and other Stakeholders for their continuous support, co-operation and their valuable guidance to the Company and for their trust reposed in the Company's management. The Directors also commend the continuing commitment and dedication of the employees at all levels and the Directors look forward to their continued support in future.

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

| | | |
|---|---|---|
| | **MUKESH KACHOLIA** | **AYUSH KACHOLIA** |
| **PLACE: INDORE** | **MANAGING DIRECTOR** | **WHOLE TIME DIRECTOR** |
| **DATE: 6TH SEPTEMBER, 2021** | **DIN: 00376922** | **DIN: 03096933** |

ANNEXURE-1

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

**To,**
**The Members of**
**SHANTI OVERSEAS (INDIA) LIMITED**
**(CIN: L51211MP2011PLC025807)**
**215-216, Vikram Tower,**
**1st Floor, Sapna Sangeeta Road,**
**Indore MP 452001**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Shanti Overseas (India) Limited**, having **CIN L51211MP2011PLC025807** and having Registered Office at 215-216, Vikram Tower, 1st Floor, Sapna Sangeeta Road, Indore (M.P.) 452001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN/PAN | Date of appointment in Company |
|---|---|---|---|
| 1. | Mr. Mukesh Kacholia | 00376922 | 18/04/2011 |
| 2. | Mr. Ayush Kacholia | 03096933 | 18/04/2011 |
| 3. | Mr. Rohan Kacholia | 03623354 | 25/10/2013 |
| 4. | Mrs. Sangeeta Kacholia | 07817342 | 18/05/2017 |
| 5. | Mr. Vijay Nichani | 03136935 | 18/05/2017 |
| 6. | Mr. Sudeep Satyendra Saxena | 05129819 | 03/02/2020 |

* *Mrs. Pooja Chordia (DIN: 09196546) and Mrs. Shribala Mandhanya (DIN: 09198012) have been appointed as Additional Directors of the Company w.e.f. 10th June, 2021.*

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

**For Archna Maheshwari & Co.**
**Company Secretaries**

**Place: Indore**
**Date: 27th August, 2021**

**Archna Maheshwari**
**Proprietor**
**FCS No.:9436**
**CP No.:12034**
**UDIN:F009436C000842367**

**ANNEXURE-2**

**FORM NO. MR-3**

**Secretarial Audit Report for the Financial Year ended 31st March, 2021**

*[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**
**(CIN: L51211MP2011PLC025807)**
**215-216, Vikram Tower,**
**1st Floor, Sapna Sangeeta Road,**
**Indore (M.P.) 452001**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. SHANTI OVERSEAS (INDIA) LIMITED (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 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 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 2021, 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 the Company for the Financial Year ended on 31st March, 2021, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the Rules made there under;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;**(not applicable to the extent of ODI AND ECBS);**

v) 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the audit period);**

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period);**

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period);**

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period);**

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period);**

   i. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(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 Tax Act, 2016

(h) The Food Safety Act, 1990

I 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 (NSE) as the Company is listed on SME Emerge Platform of National Stock Exchange of India Limited (NSE) being "NSE Emerge".

During the year under review, the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, standard etc. mentioned above.

**I further report that:**

On the basis of 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 record 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.

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 auditor and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notices were given to all directors of 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

There are adequate system 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.

Other specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company's affairs as follows:

i) Passed Special Resolution on 17th February, 2021 by postal ballot for migration of the Company's specified securities (equity shares) listed on NSE Emerge [SME Platform of National Stock Exchange of India Ltd. (NSE)] to the Main Board of NSE Ltd.

**For Archna Maheshwari & Co.**
**Company Secretaries**

**Place: Indore**
**Date: 27th August, 2021**

**Archna Maheshwari**
**FCS No.:9436**
**CP No.:12034**
**UDIN:F009436C000842411**

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

**'Annexure A'**

**To,**
**The Members**
**SHANTI OVERSEAS (INDIA) LIMITED**
**(CIN: L51211MP2011PLC025807)**
**215-216, Vikram Tower,**
**1st Floor, Sapna Sangeeta Road,**
**Indore (M.P.) 452001**

**My report of even date is to be read along with this letter.**

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of 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 Archna Maheshwari & Co.**
**Company Secretaries**

**Place: Indore**
**Date: 27th August, 2021**

**Archna Maheshwari**
**FCS No.:9436**
**CP No.:12034**
**UDIN:F009436C000842411**

**ANNEXURE - 3**

1. **Annual Report on Corporate Social Responsibility activities for the Financial Year 2020-21.**

**A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs**

Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it operates. The Company is committed to be a responsible corporate entity mindful of its social responsibilities. Web link to the CSR policy of the Company www.shantioverseas.com

2. **Composition of the CSR Committee and Responsibility Statement of the Corporate Social Responsibility Committee:**

| Name | Designation |
|---|---|
| Mr. Vijay Nichani | Chairman |
| Mr. Mukesh Kacholia | Member |
| Mr. Ayush Kacholia | Member |

The composition of the Committee is in compliance with Section 135 of the Companies Act, 2013.

3. **Net Profit of the Company of immediately preceeding Financial Year 2019-20**

INR 59.81 Lakhs

4. **Prescribed CSR Expenditure**

NIL

5. **Details of CSR Spent During the Financial Year 2020-21**

(a) Total amount spent for the Financial Year - Nil

(b) Amount unspent, if any – Nil

The provisions of CSR are not applicable to the Company for the Financial Year 2020-21 taking into account the financials of immediate preceding Financial Year i.e. 2019-20. The Company does not fall in any of the limits as prescribed under Section 135 of Companies Act, 2013 amended by the Companies (Amendment) Act, 2017 which come into effect from 19th September, 2018.

6. **In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report**

For the FY 2020-21, the provisions of CSR are not applicable on the Company.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company**

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

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

**MUKESH KACHOLIA**
**MANAGING DIRECTOR**
**DIN: 00376922**

**PLACE: INDORE**
**DATE: 6TH SEPTEMBER, 2021**

**ANNEXURE - 4**

**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 | INR 1,00,000/- |
| 5 | Reserves & surplus | Nil |
| 6 | Total assets | INR 2,15,950/- |
| 7 | Total Liabilities | INR 2,15,950/- |
| 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 | Nil |
| 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 | INR 4,56,00,000/- |
| 5 | Reserves & surplus | INR (1,00,75,071/-) |
| 6 | Total assets | INR 18,96,95,312/- |
| 7 | Total Liabilities | INR 18,96,95,312/- |
| 8 | Investments | Nil |
| 9 | Turnover | INR 57,21,66,321/- |
| 10 | Profit / Loss before taxation | INR 62,55,367/- |
| 11 | Provision for taxation/Deferred Tax Liabilities/Assets | INR (5,48,014/-) |
| 12 | Profit / Loss after taxation | INR 68,03,381/- |
| 13 | Proposed Dividend | Nil |
| 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 | NOT APPLICABLE |
| 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 | |

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

**MUKESH KACHOLIA**
**MANAGING DIRECTOR**
**DIN: 00376922**

**AYUSH KACHOLIA**
**WHOLE TIME DIRECTOR**
**DIN: 03096933**

**PLACE: INDORE**
**DATE: 6TH SEPTEMBER, 2021**

**ANNEXURE-5**

**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 2020-21 | Remuneration for the year 2019-20 | % Increase in Remuneration | Ratio Between Director or KMP and Median Employee |
|---|---|---|---|---|---|---|
| 1 | Mr. Mukesh Kacholia | Chairman & Managing Director | 36,00,000 | 43,00,000 | - | 14.61 |
| 2 | Mr. Ayush Kacholia | Whole Time Director | 36,00,000 | 43,00,000 | - | 14.61 |
| 3 | Mr. Rohan Kacholia | Whole Time Director | 36,00,000 | 43,00,000 | - | 14.61 |
| 4 | Mr. Vijay Nichani | Independent Director | 21,000 | 16,000 | 31.25% | - |
| 5 | Mr. Sudeep Satyendra Saxena | Independent Director | 1,20,000 | - | 100% | - |
| 6 | Mrs. Sangeeta Kacholia | Non-Executive Director | - | - | - | - |
| 7 | Mrs. Karuna Kacholia | Chief Financial Officer | 15,00,000 | 15,00,000 | - | - |
| 8 | Mrs. Ramita Otwani | Company Secretary | 3,15,000 | 2,84,600 | 10.69% | - |

**ii. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year 2020-21.**

As stated above in Item No. ( i)

**iii. The percentage increase in the median remuneration of employees in the financial year 2020-21.**

The Remuneration of Median employee was ₹ 2,46,490/- during the year 2020-21 as compared to ₹ 1,82,544/- in the previous year. The increase in the Remuneration of Median Employee was 35.03% during Financial Year under review.

**iv. The number of permanent employees on the rolls of the company in the Financial year 2020-21.**

The company has 44 permanent employees on its rolls;

**v. Particulars of Top 10 employees in Respect of the Remuneration drawn during the year 2020-21 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 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Mr. Mukesh Kacholia | Managing Director | 48,00,000 | Permanent | M.Com | 18/04/2011 | 57 | Self Employed | - | - |
| 2 | Mr. Ayush Kacholia | Whole Time Director | 48,00,000 | Permanent | B.Com | 18/04/2011 | 34 | Self Employed | Son of Mr. Mukesh Kacholia | - |
| 3 | Mr. Rohan Kacholia | Whole Time Director | 48,00,000 | Permanent | M.Sc. | 25/10/2013 | 30 | Self Employed | Son of Mr. Mukesh Kacholia | - |
| 4 | Mrs. Karuna Kacholia | Chief Financial Officer | 15,00,000 | Permanent | C.A. | 01/05/2017 | 33 | M/s Karuna & Associates (COP) | Spouse of Mr. Ayush Kacholia | - |
| 5 | Mrs. Namrata Kacholia | Manager | 12,00,000 | Permanent | MBA | 01/04/2017 | 30 | - | Spouse of Mr. Rohan Kacholia | - |
| 6 | Mrs. Swati Puranik | Manager Marketing | 9,59,470 | Permanent | MBA | 07/08/2017 | 41 | Indian Steel Corp. Ltd. | - | - |
| 7 | Mr. Neelesh Gupta | Market Analyst | 5,26,696 | Permanent | MBA | 05/07/2016 | 35 | TransGraph | - | - |
| 8 | Mr. Rajesh Singh Chouhan | H.R. Manager | 4,73,127 | Permanent | B.Com | 10/12/2018 | 55 | Signet Industries Limited. | - | - |
| 9 | Mr. Kamal Math | Manager Purchase | 5,44,900 | Permanent | M.Com | 14/10/17 | 54 | Ruchi soya Ind. Ltd. | - | - |
| 10 | Mr. Aashish Joshi | Export Manager | 4,42,800 | Permanent | MBA | 22/11/2017 | 28 | Wearit Group | - | - |

ANNEXURE-6

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ECONOMIC REVIEW

#### Global Economy

In 2020, the world experienced a once-in-a-century global crisis and it further continued in 2021. The pandemic has caused heavy toll on life and livelihood and pushed millions into poverty. Assuming success of the vaccine rollout, it is expected that the global economy will expand in the near future. However, further surge of Covid-19 pandemic in the leading economies may dent the expansion to some extent. The International Monetary Fund **('IMF')** estimates that the global economy is projected to grow 6.0 percent in 2021 and 4.9 percent in 2022. Inflation is expected to return to its pre-pandemic ranges in most countries in 2022 once these disturbances work their way through prices, though uncertainty remains high. Elevated inflation is also expected in some emerging market and developing economies, related in part to high food prices.

*(Source: IMF World Economic Outlook, April 2021)*

#### Indian Economy

The Indian economy was severely impacted by the outbreak of the COVID-19 pandemic and contraction of economic activity following the nationwide lockdown. Mobility restrictions and social distancing led to unprecedented supply chain and manufacturing disruptions and weakened investment and consumption demand. As estimated by IMF, India's Gross Domestic Product (GDP) contracted by 8.0% in FY 2020-21 vis-à-vis 4.2% growth recorded in FY 2019-20. In the second half of the year, however, restrictions on inter-state movements were lifted to ensure mobility of goods, thereby easing supply side pressures. Recent economic indicators and data suggest that the economy is headed for a gradual revival; however, the intensity and depth of the second wave of COVID-19 infections may derail this recovery.

Notwithstanding the short-term challenges due to the pandemic, the medium and long-term growth drivers are in place. The Government's fiscal support package to support economic recovery, significantly higher allocation for infrastructural development, policy reforms implemented under the vision of 'Atmanirbhar Bharat', and Production- Linked Incentive (PLI) scheme will be fundamental in shaping the growth story of the Indian economy. Supported by strong fiscal and quasi-fiscal measures along with mass vaccination drives, India's growth is likely to rebound to 12.5% in FY 2021-22 and 6.9% in FY 2022-23.

(Source: IMF World Economic Outlook, April 2021)

#### Company Overview

- Shanti Overseas (India) Ltd. (SOIL) is now a common and known name in Soya Industry and Export houses in India which has begun its operations from 2004. The Company has got a good exposure of 17 years in agri business segment with overseas operations covering from USA to European countries like Spain, Germany etc. The company has explored its market in South Korea also in 2019-20.
- The company is into the manufacturing of organic Soya Meal, Expeller pressed Soy oil and Soy Lecithin since 2015. Main objective of the company is to expand its market in overseas and diversify in many other ways.
- The Company is listed in 2017 on NSE Emerge platform and is proud to announce its migration to Main Board in 2021-22. 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. Its infrastructure facilities excel itself in comparison to other players in the same market which gives it a boon of being first priority of its customers.
- Shanti's head office and production units are located in Indore, India.

#### Industry Overview

The Economic Survey 2021 states the following on Agriculture and Allied Industries, a clear reflection of the importance of this sector in Indian economy:

The lockdowns induced by Covid-19 reflected that the sector's FY 2020-21 growth estimate of 2.3% compared to 4.3% in FY 2019-20. Agriculture remained the silver lining while contact-based services, manufacturing, were hit hardest and recovered steadily. Exports of agriculture and allied products recorded expansion. The share of the sector in Gross Value Added ('GVA') of the country at current prices is 17.8% for FY 2019-20.

In the Union Budget 2021-22, the Ministry of Agriculture, Cooperation and Farmers Welfare has been allocated 1,31,531 Crore, an increase of 6% over revised estimate of previous year. Growth in budget allocation as well as the three important farm reforms enacted is a clear reflection of the Government's high priority on agriculture.

Soybeans are among the few complete protein vegetable based foods with nine essential amino acids. This "king of beans" is mostly crushed into soy oil and meal and is found in hundreds of edible and non-edible products, ranging from cooking oil, animal grains, vegan food, and milk to biodiesel and other industrial applications. The soybean sector is also highly concentrated, with cultivation mainly focused in the United States, Brazil, and Argentina, with India ranking a distant fourth.

Furthermore, the versatility of soybeans will be a major factor in maintaining demand growth, as the soybean market can be segmented into animal feed, food and beverage, personal care, dietary supplements, pharmaceuticals, and biomaterials, including biofuels. At a regional level, Asia is expected to drive soybean demand growth.

*(Source: Indian Economic Survey, 2021)*

The outbreak of COVID-19 and the subsequent lockdown enforced in the country are expected to moderate demand. Intensification of social distancing is expected to lead to supply side as well as demand side shocks. Supply chain disruptions could hurt domestic production in sectors which are dependent on imported inputs such as pharmaceuticals, autos, chemicals, power, etc. The exporters may face issues due to slowed down operations at the port and transportation facilities locally and similar impact in foreign countries. There is delay in momentum of shipments compared to pre-covid era. The freight rates also gone way to high this year.

## FUTURE OUTLOOK

The company is looking after diversifying its business into manufacturing of different products related to same line in future. This will reduce the dependency on one product and its overseas market. As there are many government restrictions likely to be imposed on this trade which will reduce margins of exporters, it is better to take one step ahead of the industry.

The group will make optimum utilization of its existing infrastructure facilities which are already designed for many prospects.

The Company has entered into many agro commodities 'trading transactions also in the coming year with good opportunities.

## FINANCIAL REVIEW

- **TURNOVER:** Turnover during the year under review stood at **INR 18,007.99 Lakh**, showing a hike of **23.33 %** over **INR 14600.89 Lakhs** during F.Y. 2019-20 due to overall enhance performance of the Company and ongoing support of all the stakeholders.
- **Profit after tax:** During the period under review the Company registered a consolidated profit of **INR 8.23 Lakhs** as compared to a consolidated loss of **(15.25) Lakhs** in 2019-20. During F.Y. 2020-21, there are various reasons for reduced margins irrespective of increasing turnover:
  - The crop from the last 2 years has been spoilt due to monsoon, which has impacted soya prices and margins resultantly.
  - During 2020-21, a major issue was availability of vessels for export. We had to keep our finished goods at port for 40-50 days which led to delay in exports and its realizations on time, which further increased our cost of interest.
  - The cost of vessels for Europe has increased from **$1300 to $7000**. Such an increase was never expected which resulted in heavy cash losses. It is astonishing that we still managed to survive in these adverse conditions.
  - The realizations from export incentive schemes likes TMA, MEIS, duty drawback are still due from government for longer time. These delays in receivables have increased our cycle of funds furthermore. These are now expected to be realized in coming year.
- **DEBT:** The Consolidated Borrowings of the Group has reduced from **37.61 Crores** in F.Y 19-20 to **28.20 Crores** in F.Y 20-21. The figure was **46.75 Crores** in 2018-19. This shows that company is slowly moving towards Debt Free condition since its new facilities were built with huge capex.

## SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company's business activities fall within single or primary business segment. Accordingly, disclosures under Accounting standard 17, segment reporting as mandated under Section 133 of Companies Act, 2013 read with rules framed thereunder are not required to be made.

## RISK MANAGEMENT

The Company is exposed to several potential risks like technological changes, political risks, product distribution both from internal and external sources. To ensure our long- term corporate success, it is essential to identify, analyze and mitigate risk by appropriate control measures.

The identified risks are reviewed and evaluated on continues basis and suitable steps are timely taken to mitigate the same. The implementation of various strategies to control the said risk is monitored regularly. The Board along with the Audit Committee reviews the Risk Management process periodically.

The Company is also exposes to foreign currency risks. The change in the exchange rate between foreign currency and the Indian Rupee may have negative impact on the Company's result and financial condition. The Company is exposed to the risk of price fluctuation on raw materials as well as finished goods. The Company apart from passing the cost to end user also manages these risks in inventory management and storage etc.

## HUMAN RESOURCES

Your Company's Industrial relations continued to be harmonious during the year under review. Employees form the greatest source for any company's success and growth. They are evaluated based on their strengths, potential to achieve and determination to grow head. Learning and being innovative is a very important aspect for every employee and the company recommends employees to continue learning from within the company's framework by contributing and constantly exploring new innovative ideas for the upliftment of the organization.

It is the belief of the management that it is very important to motivate the employees and encourage them to take decisions and initiatives towards the betterment of their work. The Company encourages and provides them a safe and motivating work environment. Furthermore, various training and educational seminars and events are organized with proper emphasis given on health and safety issues. The Company has always followed process of appraisal from time to time, to recognize talents and ensure that employees remain devoted to the organization for a long term.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Board has adopted policies and procedures for ensuring that all transactions are authorized, recorded and correctly reported, all assets are safeguarded and protected against loss from unauthorized use or disposition, reducing wastage and maintenance of proper accounting records for ensuring accuracy and reliability of its financial information. The Board has constituted an Audit Committee which meets periodically to review the financial performance and the accuracy of financial records and accordingly appropriate actions are taken by the management. The significant findings, along with management response and status of action plans are also periodically shared with and reviewed by the Audit Committee. It ensures adequate internal financial control exist in design and operation. These policies and procedures play a pivotal role in the deployment of the internal controls.

The SAP Business module has been installed to ensure a better internal financial control system for accounting and management which is totally customized according to the size and requirements of the Company. We have also installed spine software for payroll since FY 19-20. It helps to give people and organizations deep business insight and fosters collaboration that helps them stay ahead of their competition.

**CAUTIONARY STATEMENT**

Certain statements in the reports of the Board of Directors and Management's Discussions and Analysis may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results may vary from those expressed or implied depending upon economic conditions, Government policies and other incidental factors. Taxation laws, economic development, cost of raw materials, interest and power cost are the few extraneous variables that influence the Company's operations.

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

**MUKESH KACHOLIA**
**MANAGING DIRECTOR**
**DIN: 00376922**

**PLACE: INDORE**
**DATE: 6TH SEPTEMBER, 2021**

# INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF**
**SHANTI OVERSEAS (INDIA) LIMITED**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the Standalone Financial Statements of **Shanti Overseas (India) Limited** (the 'Company'), which comprise the Standalone Balance Sheet as at 31st March 2021, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone statement of cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for opinion

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

### Key audit matters

Key audit matters are those matters that, in our professional judgment, which are of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

| Key Audit Matters | How our audit addressed the Key Audit Matter |
|---|---|
| **Transition date accounting** | |
| Refer the accounting policies in the Standalone Financial Statements: Significant Accounting Policies – 'Basis of preparation' and note 41 to the Standalone Financial Statements | |
| Effective 1st April 2020, the Company has adopted the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs with the transition date of 1st April 2019.<br>The following are the major impact areas for the Company upon transition:<br>• Classification and measurement of financial assets and financial liabilities<br>• Accounting for actuarial gain / loss on postemployment benefit<br>Migration to the new accounting framework i.e. Ind AS, is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.<br>We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above. | **Our Audit procedures included: -**<br>• Assessed the design, implementation, and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101.<br>• Evaluated management's transition date choices and exemptions for compliance /acceptability under Ind AS 101.<br>• Understood the methodology implemented by management to give impact on the transition.<br>• Assessed the accuracy of the computations.<br>• Assessed areas of significant estimates and management judgment in line with principles under Ind AS. |

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

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Management's and the Board of Directors' Responsibility for the Standalone Financial Statements**

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

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

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the standalone financial statements, including the disclosures, and

whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government in terms of section 143 (11) of the Act, we give in the ''Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that :
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
   e) On the basis of the written representations received from the directors as on March 31st, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31st, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.
   h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act and section 67 of the Companies (Amendment) Act, 2017.
   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      1. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. (Refer Note-35)
      2. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      3. There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

**For: Muchhal & Gupta**
**Chartered Accountants**
**FRN: 004423C**

**Prakash Chandra Gupta**
**Partner**
**M.No. 073011**
**UDIN: 21073011AAAACU5681**

**Place: Indore**
**Date: 30th June, 2021**

**Annexure 'A 'to the Independent Auditor's Report on Standalone Financial Statements**

The Annexure referred to in the Independent Auditor's Report to the members of Shanti Overseas (India) Limited (the 'Company') on the standalone financial statements for the year ended 31 March 2021, we report that:

i. In respect of the Company's fixed assets :
   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   (b) The Company has a program of verification to cover all the items of fixed assets, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
   (c) The title deeds of immovable properties are held in the name of the Company.

ii. 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.

iii. According to the information and explanations given to us, the Company is covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
   (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
   (b) There is no overdue amount remaining outstanding as at the year-end.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31st, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. The maintenance of cost records are not required to be maintained pursuant to the rules specified by the Central Government under section 148(1) of the Companies Act, 2013. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:
   (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
   (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31st, 2021 for a period of more than six months from the date they became payable.

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

ix. The term loans taken during the year have been applied for the purposes for which those were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For: Muchhal & Gupta**
**Chartered Accountants**
**FRN: 004423C**

**Prakash Chandra Gupta**
**Partner**
**M No. 073011**
**UDIN: 21073011AAAACU5681**

**Place: Indore**
**Date: 30th June, 2021**

**Annexure "B" to the Independent Auditor's Report on Standalone Financial Statements**

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Shanti Overseas (India) Limited of even date)**

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

We have audited the internal financial controls over financial reporting with reference to the Standalone Financial Statements of SHANTI OVERSEAS (INDIA) LIMITED ("the Company") as of March 31, 2021, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company 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. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**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.

**Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

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

**For: Muchhal & Gupta**
**Chartered Accountants**
**FRN: 004423C**

**Prakash Chandra Gupta**
**Partner**
**Membership No. 073011**
**UDIN: 21073011AAAACU5681**

**Place: Indore**
**Date: 30th June, 2021**

**SHANTI OVERSEAS (INDIA) LTD.**
**CIN : L51211MP2011PLC025807**
**STANDALONE BALANCE SHEET AS AT 31ST MARCH 2021**

**(Rs in lakhs, unless stated otherwise)**

| | Particulars | Notes | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|---|
| | **ASSETS** | | | | |
| | **Non-Current Assets** | | | | |
| (a) | Property, Plant and Equipment | 4 | 2,006.29 | 2,287.93 | 2,561.96 |
| (b) | Financial Assets | | | | |
| | (i) Investments | 5 | 457.00 | 457.00 | 457.00 |
| | (ii) Others | 6 | 63.43 | 56.11 | 58.62 |
| (c) | Income Tax Assets (net) | 8d) | 3.07 | 68.01 | - |
| (d) | Other Non-Current Assets | 7 | 26.98 | 47.21 | 67.45 |
| | **Total Non-Current Assets** | | **2,556.77** | **2,916.26** | **3,145.03** |
| | **Current Assets** | | | | |
| (a) | Inventories | 9 | 987.45 | 1,072.84 | 219.35 |
| (b) | Financial Assets | | | | |
| | (i) Trade Receivables | 10 | 1,880.91 | 1,860.96 | 2,986.57 |
| | (ii) Cash and Cash Equivalents | 11a) | 37.68 | 12.13 | 23.83 |
| | (iii) Bank balances other than (ii) above | 11b) | 129.03 | 120.95 | 113.82 |
| | (iv) Loans and advances | 12 | 0.60 | 1.37 | 688.26 |
| | (v) Others | 13 | 3.29 | 4.01 | 4.29 |
| (c) | Other Current Assets | 14 | 907.29 | 977.17 | 921.14 |
| | **Total Current Assets** | | **3,946.25** | **4,049.43** | **4,957.26** |
| | **Total Assets** | | **6,503.02** | **6,965.69** | **8,102.29** |
| | **EQUITY AND LIABILITIES** | | | | |
| | **Equity** | | | | |
| (a) | Equity Share Capital | 15 | 1,110.60 | 1,110.60 | 740.40 |
| (b) | Other Equity | 16 | 1,916.38 | 1,975.96 | 2,298.20 |
| | **Total Equity** | | **3,026.98** | **3,086.56** | **3,038.60** |
| | **Liabilities** | | | | |
| | **Non-Current Liabilities** | | | | |
| (a) | Financial Liabilities | | | | |
| | (i) Borrowings | 17 | 906.93 | 326.49 | 1,018.30 |
| (b) | Provisions | 18 | 7.98 | 5.72 | 0.78 |
| (c) | Deferred Tax Liabilities (net) | 8c) | 37.08 | 58.59 | 70.25 |
| | **Total Non-Current Liabilities** | | **951.99** | **390.80** | **1,089.33** |
| | **Current Liabilities** | | | | |
| (a) | Financial Liabilities | | | | |
| | (i) Borrowings | 19 | 1,433.98 | 2,914.67 | 3,064.62 |
| | (ii) Trade Payables | 20 | | | |
| | Dues to Micro enterprises & small enterprises | | - | - | - |
| | Dues to Others | | 771.25 | 241.77 | 335.46 |
| | (iii) Other Financial Liabilities | 21 | 282.58 | 280.62 | 420.53 |
| (b) | Other Current Liabilities | 22 | 22.39 | 15.26 | 12.02 |
| (c) | Provisions | 23 | 13.85 | 36.01 | 27.26 |
| (d) | Current Tax Liabilities (Net) | 24 | - | - | 114.47 |
| | **Total Current Liabilities** | | **2,524.05** | **3,488.33** | **3,974.36** |
| | **Total Equity And Liabilities** | | **6,503.02** | **6,965.69** | **8,102.29** |

Significant accounting policies & key accounting estimates & judgements 1-3

See accompanying notes to the Financial Statements 4-43

This is the Balance Sheet referred to in our report of even date

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

**Date: 30/06/2021**
**Place: Indore**

As per our Report of even date annexed
**For MUCHHAL & GUPTA**
Chartered Accountants

**Prakash C. Gupta**
(Partner)
M.No.: 073011
FRN: 004423C
UDIN: 21073011AAAACU5681

## SHANTI OVERSEAS (INDIA) LTD.

## CIN : L51211MP2011PLC025807

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

(Rs in lakhs, unless stated otherwise)

| | Particulars | Notes | Year ended 31st March 2021 | Year ended 31st March 2020 |
|---|---|---|---|---|
| | **INCOME** | | | |
| I. | Revenue From Operations | 25 | 18,007.99 | 14,600.89 |
| II. | Other Income | 26 | 30.55 | 30.22 |
| | **III Total Income (I+II)** | | **18,038.54** | **14,631.11** |
| IV. | **EXPENSES** | | | |
| | Cost of Material Consumed | 27 | 8,488.06 | 11,374.10 |
| | Purchases of Stock-in-Trade | 28 | 6,896.83 | 942.39 |
| | Changes in inventories of finished goods, Stock-in-Trade and work-in-progress | 29 | (37.24) | (454.70) |
| | Employee Benefit Expenses | 30 | 240.00 | 282.10 |
| | Finance Costs | 31 | 274.35 | 296.78 |
| | Depreciation Expense | 32 | 318.24 | 383.55 |
| | Other Expenses | 33 | 1,938.48 | 1,733.31 |
| | **Total Expenses** | | **18,118.72** | **14,557.52** |
| V. | **Profit before tax** | | **(80.18)** | **73.59** |
| VI. | **Tax Expense** | 8a) | | |
| | Current Tax | | 1.22 | 35.00 |
| | Deferred Tax | | (21.59) | (11.05) |
| | **Total Tax Expense** | | **(20.37)** | **23.95** |
| VII. | **Profit for the period** | | **(59.81)** | **49.64** |
| VIII. | **Other Comprehensive Income** | | | |
| | Items that will not be reclassified to profit or loss | | | |
| | Re-measurement gain/ (loss) on defined benefit plans | | 0.32 | (2.29) |
| | Income tax relating to re-measurement gain on defined benefit plans | | (0.08) | 0.61 |
| | **Total Other Comprehensive Income** | | **0.24** | **(1.68)** |
| | **Total Comprehensive Income** | | **(59.57)** | **47.96** |
| IX. | **Earnings Per Share (In Rs)** | 34 | | |
| | (1) Basic | | (0.54) | 0.45 |
| | (2) Diluted | | (0.54) | 0.45 |

Significant accounting policies & key accounting estimates & judgements 1-3
See accompanying notes to the Financial Statements 4-43
This is the Balance Sheet referred to in our report of even date

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

As per our Report of even date annexed
**For 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
UDIN: 21073011AAAACU5681

**Date: 30/06/2021**
**Place: Indore**

## SHANTI OVERSEAS (INDIA) LTD.

## CIN : L51211MP2011PLC025807

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

(Rs in lakhs, unless stated otherwise)

| (a) Equity Share Capital | As at 31st March 2021 | | As at 31st March 2020 | | As at 1st April 2019 | |
|---|---|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount | Number of Shares | Amount |
| Issued, Subscribed & Fully Paid up (Equity Shares of Rs.10/- each) | | | | | | |
| **Opening Balance** | 11,106,000 | 1,110.60 | 7,404,000 | 740.40 | 7,404,000 | 740.40 |
| Issued during the year | - | - | 3,702,000 | 370.20 | - | - |
| **Closing Balance** | **11,106,000** | **1,110.60** | **11,106,000** | **1,110.60** | **7,404,000** | **740.40** |

**(b) Other equity**

| | Reserves & Surplus | | Other Comprehensive Income | Total |
|---|---|---|---|---|
| | Retained Earnings | Securities Premium | | |
| **Balance as at 1st April 2019** | **1,496.55** | **801.61** | **0.04** | **2,298.20** |
| Bonus issue of shares | - | (370.20) | - | (370.20) |
| Profit for the period | 49.64 | - | - | 49.64 |
| Other comprehensive income for the year | - | - | (1.68) | (1.68) |
| **Balance as at 31st March 2020** | **1,546.19** | **431.41** | **(1.64)** | **1,975.96** |
| **Balance as at 1st April 2020** | **1,546.19** | **431.41** | **(1.64)** | **1,975.96** |
| Loss for the period | (59.81) | - | - | (59.81) |
| Other comprehensive income for the year | - | - | 0.24 | 0.24 |
| **Balance as at 31st March 2021** | **1,486.38** | **431.41** | **(1.40)** | **1,916.38** |

This is the Statement of Changes in Equity referred to in our report of even date

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

As per our Report of even date annexed
**For 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
UDIN: 21073011AAAACU5681

**Date: 30/06/2021**
**Place: Indore**

**SHANTI OVERSEAS (INDIA) LTD.**
**CIN : L51211MP2011PLC025807**
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2021**

**(Rs in lakhs, unless stated otherwise)**

| | Particulars | Notes | Year ended 31st March 2021 | Year ended 31st March 2020 |
|---|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| | Profit before tax | | (80.18) | 73.59 |
| | **Adjustments for:** | | | |
| | Depreciation expense | | 318.24 | 383.55 |
| | Finance Costs | | 274.35 | 296.78 |
| | Interest on Deposit | | (7.96) | (9.20) |
| | Acturial gain and loss | | 0.32 | (2.29) |
| | **Operating profit before working capital changes** | | **504.77** | **742.43** |
| | **Adjustments for:** | | | |
| | Decrease/(Increase) in Inventories | | 85.39 | (853.49) |
| | Decrease/(Increase) in Loans | | 0.77 | 686.89 |
| | Decrease/(Increase) in Trade Receivables | | (19.95) | 1,125.61 |
| | Decrease/(Increase) in Other Financial Assets | | (6.60) | 2.79 |
| | Decrease/(Increase) in Other assets | | 90.11 | (35.79) |
| | Increase/(Decrease) in Trade Payables | | 529.48 | (93.69) |
| | Increase/(Decrease) in Other Financial Liabilities | | 1.96 | (139.91) |
| | Increase/(Decrease) in Other Liabilities | | 7.13 | 3.24 |
| | Increase/(Decrease) in Provisions | | (19.90) | 13.69 |
| | **Cash flow from operating activities post working capital changes** | | **1,173.15** | **1,451.77** |
| | Direct taxes | | 63.72 | (217.48) |
| | **Net cash flow from operating activities (A)** | | **1,236.87** | **1,234.29** |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| | Purchase of Property Plant and Equipment | | (36.59) | (109.52) |
| | Interest received | | | |
| | **Net cash used in investing activities (B)** | | **(28.63)** | **(100.32)** |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| | Proceeds from Borrowings | | (900.25) | (841.76) |
| | Interest paid | | (274.35) | (296.78) |
| | **Net cash used in financing activities (C)** | | **(1,174.60)** | **(1,138.54)** |
| | **NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)** | | **33.63** | **(4.57)** |
| | **Cash and cash equivalents as at 1st April** | | **133.08** | **137.65** |
| | **Cash and cash equivalents as at 31st March** | | **166.71** | **133.08** |
| | **NET INCREASE IN CASH AND CASH EQUIVALENTS** | | **33.63** | **(4.57)** |

**Notes** 1. The Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 - 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder.

| Cash and Cash Equivalents | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|
| Balances with banks | 26.62 | 10.88 | 22.64 |
| Cash on hand | 11.06 | 1.25 | 1.19 |
| Bank deposit with maturity more than 3 months but less than 12 months | 129.03 | 120.95 | 113.82 |
| | **166.71** | **133.08** | **137.65** |

This is the Statement of Cash Flow referred to in our report of even date

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

As per our Report of even date annexed
**For 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
UDIN: 21073011AAAACU5681

**Date: 30/06/2021**
**Place: Indore**

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STANDALONE SUMMARY OF STATEMENTS

### 1. Corporate Information

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 "Shanti Overseas", pursuant to a deed of partnership dated 15th November, 2004. "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 18th April, 2011 from Registrar of Companies, Madhya Pradesh. Subsequently, the Company was converted into a public limited company vide fresh Certificate of Incorporation dated 20th January, 2017 issued by the Registrar of Companies, Gwalior. The company is listed on NSE EMERGE platform via initial public offer on 3rd August, 2017.Shanti Overseas (India) Limited is engaged in primary processing and trading of agri commodities and manufacturing of Soya Products such as Organic Soyabean Meal and Soy Crude Oil.

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

### 2. Basis Of Preparation of Standalone Financial Statements

**a) Statement of compliance:**

These financial statements have been prepared on a going concern basis following the accrual basis of accounting in accordance with the Generally accepted Accounting Principles (GAAP) in India (Indian Accounting standards referred to as "IndAS") as specified under the section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standard)

Rules, 2015 and relevant amendments rules issued thereafter.

The standalone financial statements are presented in Rupees and all values are rounded to the nearest lakhs upto two decimal places except when otherwise indicated.

**b) Basis of measurement:**

The financial statements have been prepared on a historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value as required under relevant IndAS.

**c) Significant accounting judgements, estimates and assumptions**

The preparation of the company's Standalone Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**d) Critical accounting estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

**i. Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**ii. Employee benefit plans**

The cost of the defined benefit gratuity plan, other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**iii. Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

iv. **Property Plant and Equipment**

Useful lives and residual values are determined by the management at the time the asset is acquired and reviewed at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

**3. Significant Accounting Policies**

**3.1 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

► Expected to be realised or intended to be sold or consumed in normal operating cycle

► Held primarily for the purpose of trading

► Expected to be realised within twelve months after the reporting period, or

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

All other assets are classified as non-current.

A liability is current when:

► It is expected to be settled in normal operating cycle

► It is held primarily for the purpose of trading

► It is due to be settled within twelve months after the reporting period, or

► There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle

**3.2 Property, Plant &Equipments**

**Recognition and initial measurement**

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company.

All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

Subsequent measurement **(depreciation and useful lives)**

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Depreciation on property, plant and equipment has been provided using written down value method using rates determined based on management's assessment of useful economic lives of the asset.

Followings are the estimated useful lives of various category of assets used which are aligned with useful lives defined in schedule II of Companies Act,2013 :

| | |
|---|---|
| Factory Building | 30 Years |
| Plant & Machinery | 15 Years |
| Office Equipment | 5 Years |
| Office Furniture | 5 Years |
| Electrical Equipment | 5 Years |
| Electrical fittings | 15 Years |
| RCC Road | 10 Years |
| Computer | 3 Years |
| Vehicles | 8 Years |

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**Derecognition:**

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is de-recognized.

**Capital work-in-progress (CWIP)**

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in progress.

**3.3 <u>Impairment of non-financial assets</u>**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**3.4 <u>Provisions, Contingent Liabilities and Contingent Assets</u>**

**Provisions:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in respective expense.

**Contingent Liabilities and Contingent Assets**

Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**3.5 Leases**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether,

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

The company applies a single recognition and measurement approach for all leases, except for short term leases (twelve month or less) and leases of low-value. For short-term and leases of low value, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease. For all other leases, the Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.They are subsequently measured at cost less accumulated depreciation and impairment losses

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset

Lease liability and ROU asset, if any, have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**3.6 Inventories:**

Inventories are valued as under:

**Raw materials& stores and spares**

Lower of cost and net realisable value. Cost is determined on a weighted average basis. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.

**Finished Goods & Work In Progress**

Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of attributable overheads.

**Stock-In-Trade**

Valued at lower of cost or net realizable value and for this purpose cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**3.7 Income tax**

**Current tax:**

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax:**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Balance Sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

**3.8 Employee Benefits**

**Short-term Employee Benefits:**

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

**Post-employment benefit plans:**

Defined Contribution Plans:

State governed Provident Fund Scheme and Employees State Insurance Scheme are defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employees render the related services.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's gratuity scheme is a defined benefit plan. Currently, the Company's gratuity scheme is unfunded. The Company recognises the defined benefit liability in Balance sheet. The present value of the obligation under such defined benefit plan and the related current service cost and, where applicable past service cost are determined based on an actuarial valuation done using the Projected Unit Credit Method by an independent actuary, which recognises 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 obligations are measured at the present value of the estimated future cash flows.

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) is reflected immediately in Other Comprehensive Income in the Statement of Profit and loss. All other expenses related to defined benefit plans are recognised in Statement of Profit and Loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to Statement of Profit and Loss hence it is treated as part of retained earnings in the Statement of Changes In Equity.

**3.9 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible to/ by the Company.

**Fair value hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**3.10 Financial Instruments**

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

**a) Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- **Debt instruments at amortised cost -** The Company has cash & cash equivalents, loans and trade receivables classified within this category.
- **Debt instruments at fair value through other comprehensive income (FVTOCI) -** The Company does not have any financial asset classified in this category.
- **Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL) -** The Company does not have any financial asset classified in this category.
- **Equity instruments measured at fair value through other comprehensive income (FVTOCI) -** The Company does not have any financial asset classified in this category.

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation and losses arising from impairment are recognised in the Statement of Profit & Loss. The amortised cost of the financial asset is also adjusted for loss allowance, if any.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Company has not designated any such debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

**Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

**Impairment of financial assets**

In accordance with IndAS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit Risk Exposure.

Financial assets that are debt instruments, and are measured at amortised cost e.g. Loans and trade receivables.

The company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**b)Financial liabilities**

**Initial recognition and measurement**

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial liabilities are initially measured at fair value deducted by, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

**Subsequent measurement**

Financial liabilities are classified as measured at amortised cost using the effective interest method. The Company's financial liabilities include trade payables, borrowings and other financial liabilities.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as expense over the relevant period of the financial liability in the Statement of Profit and Loss.

**Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

**3.11 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**3.12 Revenue Recognition**

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

**Sale of goods**

Revenue from the sale of goods is recognised when control of the goods have passed to the buyer, usually on delivery of the goods. In determining the transaction price for the sale of goods, the company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

**Interest income**

Interest income on financial asset is recognised using the effective interest rate (EIR) method.

**Dividends**

Dividend income from investment is accounted for when the right to receive is established, which is generally when shareholders approve the dividend.

Export incentives receivable, TMA scheme incentive receivable and duty drawback receivable

Export incentives receivable, TMA scheme incentive 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 such proceeds.

**3.13 Earnings per share**

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares.

**3.14 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a 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. The cash flows from operating, investing and financing activities of the Company are segregated.

**3.15 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the company.

**3.16 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 has incurred these expenses. 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 non current assets head.

**3.17 Foreign currency transactions**

Transactions in foreign currencies are recorded by the Company entities at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Non Monetary asset and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss with the exception that the exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

**3.18 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets up to the assets are substantially ready for their intended use. The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised in the year in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

**3.19 Standards issued but not yet effective**

On March 24th, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc

**Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**SHANTI OVERSEAS (INDIA) LTD.**

**CIN : L51211MP2011PLC025807**

**SCHEDULES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

**(Rs in lakhs, unless stated otherwise)**

**4 Property, Plant and Equipment (PPE)**

| | Land | Factory Building | Plant & Machinery | Office Equipment | Office Furniture | Electrical Equipment | Electrical fittings | RCC Road | Computer | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Value** | | | | | | | | | | | |
| **Balance as at 1st April 2019** | **255.80** | **920.70** | **1,093.16** | **4.01** | **39.07** | **11.44** | **165.14** | **26.57** | **16.69** | **29.38** | **2,561.96** |
| Additions during the year | - | 44.72 | 30.95 | - | 14.90 | 2.36 | 1.49 | - | 1.82 | 13.28 | 109.52 |
| Disposals during the year | - | - | - | - | - | - | - | - | - | - | - |
| **Balance as at 31st March 2020** | **255.80** | **965.42** | **1,124.11** | **4.01** | **53.97** | **13.80** | **166.63** | **26.57** | **18.51** | **42.66** | **2,671.48** |
| Balance as at 1st April 2020 | 255.80 | 965.42 | 1,124.11 | 4.01 | 53.97 | 13.80 | 166.63 | 26.57 | 18.51 | 42.66 | 2,671.48 |
| Additions during the year | - | 24.02 | - | 2.33 | 1.99 | - | 7.25 | - | 1.00 | - | 36.59 |
| Disposals during the year | - | - | - | - | - | - | - | - | - | - | - |
| **Balance as at 31st March 2021** | **255.80** | **989.44** | **1,124.11** | **6.34** | **55.96** | **13.80** | **173.88** | **26.57** | **19.51** | **42.66** | **2,708.07** |
| Accumulated Depreciation | | | | | | | | | | | |
| Balance as at 1st April 2019 | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation charge for the year | - | 90.76 | 203.00 | 0.16 | 12.27 | 4.48 | 42.85 | 6.88 | 10.77 | 12.38 | 383.55 |
| **Balance as at 31st March 2020** | **-** | **90.76** | **203.00** | **0.16** | **12.27** | **4.48** | **42.85** | **6.88** | **10.77** | **12.38** | **383.55** |
| Balance as at 1st April 2020 | - | 90.76 | 203.00 | 0.16 | 12.27 | 4.48 | 42.85 | 6.88 | 10.77 | 12.38 | 383.55 |
| Depreciation charge for the year | - | 31.69 | 256.13 | 0.86 | 11.44 | 3.99 | - | - | 4.84 | 9.29 | 318.24 |
| **Balance as at 31st March 2021** | **-** | **122.45** | **459.13** | **1.02** | **23.71** | **8.47** | **42.85** | **6.88** | **15.61** | **21.67** | **701.79** |
| Net carrying value | | | | | | | | | | | |
| **As at 1st April 2019** | **255.80** | **920.70** | **1,093.16** | **4.01** | **39.07** | **11.44** | **165.14** | **26.57** | **16.69** | **29.38** | **2,561.96** |
| **As at 31st March 2020** | **255.80** | **874.66** | **921.11** | **3.85** | **41.70** | **9.32** | **123.78** | **19.69** | **7.74** | **30.28** | **2,287.93** |
| **As at 31st March 2021** | **255.80** | **867.00** | **664.98** | **5.32** | **32.25** | **5.33** | **131.03** | **19.69** | **3.90** | **20.99** | **2,006.29** |

**Note**
The Company has applied the optional exemption to measure its Property, Plant & Equipment at the date of transitional at their previous GAAP carrying amount and used it as the deemed cost for such assets.

## SCHEDULES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs in lakhs, unless stated otherwise)

| 5 | Non Current Investments | As at 31st March 2021 | | As at 31st March 2020 | | As at 1st April 2019 | |
|---|---|---|---|---|---|---|---|
| | | Units | Amount | Units | Amount | Units | Amount |
| | **Investments in Equity Instruments** | | | | | | |
| | **In Subsidiary Companies** | | | | | | |
| | ***Unquoted, fully paid up*** | | | | | | |
| | Equity Shares of Biograin Protinex Pvt. Ltd. of Rs 10 each | 10,000 | 1.00 | 10,000 | 1.00 | 10,000 | 1.00 |
| | Equity Shares of Shaan Agro oils & Extractions Pvt. Ltd. of Rs 10 each | 4,560,000 | 456.00 | 4,560,000 | 456.00 | 4,560,000 | 456.00 |
| | | **4,570,000** | **457.00** | **4,570,000** | **457.00** | **4,570,000** | **457.00** |
| | **Aggregate amount of Unquoted investments** | | **457.00** | | **457.00** | | **457.00** |

| 6 | Other Non-Current Financial Assets | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | **Unsecured, considered good, unless otherwise stated** | | | |
| | Security Deposits | 40.75 | 39.42 | 38.16 |
| | Margin Money Fixed Deposits with original maturity of more than 12 months | 22.68 | 16.69 | 20.46 |
| | | **63.43** | **56.11** | **58.62** |

| 7 | Other Non-Current Assets | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | **Preliminary Expenses** | | | |
| | IPO Expenses | 47.21 | 67.44 | 87.68 |
| | Less : Written off during the year | (20.23) | (20.23) | (20.23) |
| | | **26.98** | **47.21** | **67.45** |

| 8 | Income tax | | |
|---|---|---|---|
| 8a) | **The major components of income tax expense for the year are as under:** | | |
| i) | **Amounts recognised in the Statement of Profit and Loss comprises :** | **Year ended 31st March 2021** | **Year ended 31st March 2020** |
| | **Current tax:** | | |
| | - in respect of the current year | 1.22 | 35.00 |
| | | **1.22** | **35.00** |
| | **Deferred tax expense:** | | |
| | Attributable to - | | |
| | - Origination and reversal of temporary differences | (21.59) | (11.05) |
| | | **(21.59)** | **(11.05)** |
| | **Total Income tax expense** | **(20.37)** | **23.95** |

| ii) | Income tax recognised in Other Comprehensive Income | Year ended 31st March 2021 | Year ended 31st March 2020 |
|---|---|---|---|
| | Net loss/(gain) on remeasurements of defined benefit plans | (0.08) | 0.61 |
| | **Income tax charged to OCI** | **(0.08)** | **0.61** |

| 8b) | Reconciliation of effective tax rate | | Year ended 31st March 2021 | Year ended 31st March 2020 |
|---|---|---|---|---|
| | Profit before tax | A | (80.18) | 73.59 |
| | Company's domestic tax rate | B | 26.00% | 27.82% |
| | **Tax expense** | **C = A * B** | **(20.85)** | **20.47** |
| | **Tax effect of :** | | | |
| | Expenses not allowable | | 20.99 | 9.81 |
| | Deferred tax recognised | | (21.59) | (11.05) |
| | Others | | 1.08 | 4.72 |
| | **Tax expense as recognised in Statement of Profit and Loss** | | **(20.37)** | **23.95** |

| 8c) | Deferred Tax Liabilities (Net) | | | | |
|---|---|---|---|---|---|
| | | As at 1st April 2019 | Profit & Loss | OCI | As at 31st March 2020 |
| | **Deferred tax relates to the following:** | | | | |
| | Property, Plant & Equipment | 70.24 | (9.74) | - | 60.50 |
| | Provision for gratuity | - | (1.31) | - | (1.31) |
| | Re-measurements of the defined benefit plans | 0.01 | - | (0.61) | (0.60) |
| | **Deferred Tax Liabilities (Net)** | **70.25** | **(11.05)** | **(0.61)** | **58.59** |

| | | As at 1st April 2020 | Profit & Loss | OCI | As at 31st March 2021 |
|---|---|---|---|---|---|
| | Deferred tax relates to the following: | | | | |
| | Property, Plant & Equipment | 60.50 | (20.99) | - | 39.51 |
| | Provision for gratuity | (1.31) | (0.60) | - | (1.91) |
| | Re-measurements of the defined benefit plans | (0.60) | - | 0.08 | (0.52) |
| | **Deferred Tax Liabilities (Net)** | **58.59** | **(21.59)** | **0.08** | **37.08** |

| 8d) | Income Tax Assets (Net) | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Advance income-tax (net of provision for taxation) | 3.07 | 68.01 | - |
| | | **3.07** | **68.01** | **-** |

| 9 | Inventories (valued at lower of cost and net realizable value) | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Finished Goods | 212.96 | 466.31 | 97.69 |
| | Raw Material | 366.97 | 470.62 | 106.36 |
| | Stock-in-trade | 376.73 | 86.14 | - |
| | Others | 30.79 | 49.77 | 15.3 |
| | **Total** | **987.45** | **1,072.84** | **219.35** |

| 10 | Trade Receivables | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | **Unsecured, considered good, unless otherwise stated** | | | |
| | Others | 1,880.91 | 1,860.96 | 2,986.57 |
| | **Total** | **1,880.91** | **1,860.96** | **2,986.57** |

Trade receivables are non-interest bearing and are generally on credit terms of 30 days.

| 11a) | Cash & Cash Equivalents | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Balances with banks | 26.62 | 10.88 | 22.64 |
| | Cash on hand | 11.06 | 1.25 | 1.19 |
| | **Total** | **37.68** | **12.13** | **23.83** |

| 11b) | Bank Balances other than "Cash & Cash Equivalents" | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Bank deposit with maturity more than 3 months but less than 12 months | 129.03 | 120.95 | 113.82 |
| | Total | 129.03 | 120.95 | 113.82 |

| 12 | Current Financial Assets - Loans and advances | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | **Unsecured, considered good unless otherwise stated** | | | |
| | Staff loan | 0.60 | 1.36 | 0.64 |
| | **Related Parties Balances** | | | |
| | Biograin Protinex Pvt. Ltd. | - | 0.01 | - |
| | Shaan Agro Oils & Extractions Pvt. Ltd. | - | - | 687.62 |
| | **Total** | **0.60** | **1.37** | **688.26** |

| 13 | Other Current Financial Assets | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Interest accrued on Fixed Deposits | 3.29 | 4.01 | 4.29 |
| | **Total** | **3.29** | **4.01** | **4.29** |

| 14 | Other Current Assets | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Balances with Government Authorities | 606.65 | 623.69 | 356.92 |
| | Amount recoverable in cash or kind from others | 31.07 | 235.95 | 223.06 |
| | Export Incentive (MEIS Scheme) | 258.03 | 106.59 | 320.75 |
| | Prepaid Expenses | 4.76 | 3.73 | 9.30 |
| | Interest Subsidy Receivable | - | - | 6.25 |
| | Quarterly Incremental License | 3.02 | 3.02 | 3.02 |
| | TDS Receivables (NBFC) | 3.76 | 4.19 | 1.84 |
| | **Total** | **907.29** | **977.17** | **921.14** |

| 15 | Equity Share Capital | | | | | | |
|---|---|---|---|---|---|---|---|
| (a) | **Authorised & Issued Share Capital** | As at 31st March 2021 | | As at 31st March 2020 | | As at 1st April 2019 | |
| | **Authorised Share Capital** | Number | Amount | Number | Amount | Number | Amount |
| | Equity Shares of Rs 10/- each | 12,000,000 | 1,200.00 | 12,000,000 | 1,200.00 | 7,600,000 | 760.00 |
| | **Issued, Subscribed & Fully Paid up** | | | | | | |
| | Equity Shares of Rs 10/- each | 11,106,000 | 1,110.60 | 11,106,000 | 1,110.60 | 7,404,000 | 740.40 |

**(b) Reconciliation of Share Capital**

**Issued, Subscribed & Fully Paid up**

| | Equity Shares of Rs 10/- each | Number | Amount | Number | Amount | Number | Amount |
|---|---|---|---|---|---|---|---|
| | **Opening Balance** | **11,106,000** | **1,110.60** | **7,404,000** | **740.40** | **7,404,000** | **740.40** |
| | Add: Bonus Shares issued | - | - | 3,702,000 | 370.20 | - | - |
| | **Closing Balance** | **11,106,000** | **1,110.60** | **11,106,000** | **1,110.60** | **7,404,000** | **740.40** |

**(c) Terms and rights attached to equity shares**

i) The Company has one class of equity shares referred to as equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share.

ii) In the event of liquidation of the company, the holders of equity share will be entitled to received remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) The Company declares and pays dividends in Indian rupees. During the year ended 31st March, 2021, the company has not declared any dividend.

**(d) Disclosure of Shares in the company held by each shareholder holding more than 5% Equity Shares**

| Name of Shareholder | As at 31st March 2021 | | As at 31st March 2020 | | As at 1st April 2019 | |
|---|---|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Mr. Mukesh Kacholia | 2,422,875 | 21.82% | 2,422,875 | 21.82% | 1,564,250 | 21.13% |
| Mr. Ayush Kacholia | 1,701,000 | 15.32% | 1,701,000 | 15.32% | 1,080,000 | 14.59% |
| Mrs. Sangeeta Devi Kacholia | 808,125 | 7.28% | 808,125 | 7.28% | 541,750 | 7.32% |
| Mrs. Karuna Kacholia | 805,500 | 7.25% | 805,500 | 7.25% | 540,000 | 7.29% |
| Mr. Rohan Kacholia | 1,701,000 | 15.32% | 1,701,000 | 15.32% | 1,080,000 | 14.59% |
| Mrs. Namrata Kacholia | 805,500 | 7.25% | 805,500 | 7.25% | 540,000 | 7.29% |
| **Total** | **8,244,000** | **74.23%** | **8,244,000** | **74.23%** | **5,346,000** | **72.20%** |

**(e) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

During the year ended March 31, 2020, the Company has alloted 37,02,000 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 alloted any equity shares against consideration other than cash, bought 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.

| 16 | Other Equity | Reserves & Surplus | | Other Comprehensive Income | Total |
|---|---|---|---|---|---|
| | | Retained Earnings | Securities Premium | | |
| | **Balance as at 1st April 2019** | **1,496.55** | **801.61** | **0.04** | **2,298.20** |
| | Bonus issue of shares | - | (370.20) | - | (370.20) |
| | Profit for the period | 49.64 | - | - | 49.64 |
| | Other comprehensive income for the year | - | - | (1.68) | (1.68) |
| | **Balance as at 31st March 2020** | **1,546.19** | **431.41** | **(1.64)** | **1,975.96** |
| | **Balance as at 1st April 2020** | **1,546.19** | **431.41** | **(1.64)** | **1,975.96** |
| | Loss for the period | (59.81) | - | - | (59.81) |
| | Other comprehensive income for the year | - | - | 0.24 | 0.24 |
| | **Balance as at 31st March 2021** | **1,486.38** | **431.41** | **(1.40)** | **1,916.38** |

| 17 | Borrowings | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | **Secured** | | | |
| | Term loans from bank* | 777.42 | 305.27 | 579.64 |
| | **Unsecured** | | | |
| | Loans from Related Parties (Refer note 37) | 129.51 | 9.30 | 360.40 |
| | Loans from Banks | - | - | 16.13 |
| | Loans from NBFC's | - | 11.92 | 62.13 |
| | **Total** | **906.93** | **326.49** | **1,018.30** |

(i) Secured loans from banks include Term Loan & Car Loan.

(ii) The Term loan was availed from Kotak Mahindra Bank during the F.Y. 2017-18, which carries interest @ 8.80% p.a. The loan is secured by hypothecation of movable Plant & Machinery which is located at Dhannad. The loan is further secured by immovable assets of the company and personal guarantee of the directors.

(iii) The Car loan is availed from Axis Bank during the F.Y. 2019-20, which carries interest @ 9.86% p.a. Loan is sanctioned against hypothecation of Hyudai Venue Car and the loan is re-payable in 36 equal installments.

| 18 | Provisions (Non-current) | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | **Provision for employee benefits (Refer Note 36)** | | | |
| | Provision for gratuity | 7.98 | 5.72 | 0.78 |
| | **Total** | **7.98** | **5.72** | **0.78** |

| 19 | Current Borrowings | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Secured Loans from Banks | 1,433.98 | 2,914.67 | 3,064.62 |
| | **Total** | **1,433.98** | **2,914.67** | **3,064.62** |

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.

| 20 | Trade Payables | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Dues to Micro enterprises & small enterprises (Refer Note c below) | - | - | - |
| | Dues to Others | 771.25 | 241.77 | 335.46 |
| | **Total** | **771.25** | **241.77** | **335.46** |

**Notes:**

a) Trade payables are non-interest bearing.

b) For explanations on the Company's liquidity risk management processes, (refer to Note 39).

| | | | |
|---|---|---|---|
| c) Details of Dues to Micro enterprises & small enterprises under MSMED Act , 2006 | - | - | - |
| - The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year | | | |
| - Principal amount due to micro and small enterprises | - | - | - |
| - Interest due on above | - | - | - |
| - The amount of interest paid by the buyer in terms of section 16 of MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - | - |
| - The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the Appointed day during the year ) but without adding the interest Specified under the MSMED Act 2006. | - | - | - |
| - The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - | - |
| - The amount of further interest remaining due and payable even in the succeeding years , until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowances as deductible expenditure under section 23 of MSMED Act 2006 | - | - | - |

| d) | Trade Payable from others | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Creditor for Capital Goods | 4.94 | 50.93 | 73.53 |
| | Creditor for Goods | 643.34 | 70.25 | 196.71 |
| | Creditor for Expense | 122.97 | 120.59 | 65.22 |
| | **Total** | **771.25** | **241.77** | **335.46** |

| 21 | Other Financial Liabilities (Current) | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Current maturities of long-term borrowings (Secured) | 263.49 | 253.53 | 390.50 |
| | Interest accrued and due on Term Loan | 8.37 | 11.78 | 14.44 |
| | Unpaid dividends | 0.08 | 0.08 | 0.08 |
| | Employee Liabilities | 10.64 | 15.23 | 15.51 |
| | **Total** | **282.58** | **280.62** | **420.53** |

| 22 | Other Current Liabilities | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Statutory Liabilities | 19.03 | 14.35 | 11.98 |
| | Contribution to Provident Fund and other Funds | 3.36 | 0.91 | 0.04 |
| | **Total** | **22.39** | **15.26** | **12.02** |

| 23 | **Provision (Current)** | **As at 31st March 2021** | **As at 31st March 2020** | **As at 1st April 2019** |
|---|---|---|---|---|
| | **Provision for employee benefits (Refer Note 36)** | | | |
| | Provision for gratuity | 0.15 | 0.11 | 0.35 |
| | **Others** | | | |
| | Provision for expenses | 2.31 | 13.87 | 1.21 |
| | Director Sitting Fee Payable | 1.32 | 0.32 | 0.32 |
| | Electricity Payable | 10.07 | 21.71 | 25.38 |
| | **Total** | **13.85** | **36.01** | **27.26** |

| 24 | **Current Tax Liabilities (Net)** | **As at 31st March 2021** | **As at 31st March 2020** | **As at 1st April 2019** |
|---|---|---|---|---|
| | Provision for taxation (net of Advance income-tax) | - | - | 114.47 |
| | | **-** | **-** | **114.47** |

| | | **Year ended 31st March 2021** | **Year ended 31st March 2020** |
|---|---|---|---|
| 25 | **Revenue from Operations** | | |
| | **Sale of products** | | |
| | **Export Sales** | | |
| | Soyabean Meal | 6,792.97 | 8,208.93 |
| | **Domestic Sales** | | |
| | Soyabean Crude Oil | 1,816.88 | 2,550.34 |
| | Soyabean Meal | 2,328.93 | 1,625.38 |
| | Soyabean | 5,149.19 | 103.43 |
| | Soyabean Refined Oil | 75.49 | - |
| | Sunflower Lecithin | 13.00 | 86.70 |
| | Rejection / By Product Sales | 62.26 | 88.19 |
| | Soya lecithin | 4.31 | - |
| | **Other Operating Revenue:** | | |
| | Duty Drawback | 10.16 | 11.93 |
| | Export Incentive (MEIS) | 269.43 | 504.27 |
| | Freight on Export Sale | 886.34 | 739.22 |
| | Foreign Exchange Fluctuation | 186.96 | 280.77 |
| | Profit from NCDEX | 185.81 | 167.15 |
| | Packing Material Sales | 20.51 | 20.43 |
| | TMA Incentive Scheme | 116.05 | 171.26 |
| | Qlty Claim & Discount Received | 89.70 | 42.89 |
| | **Total** | **18,007.99** | **14,600.89** |
| 26 | **Other Income** | | |
| | Interest from MPSEB | 1.79 | 2.41 |
| | Interest on deposits | 7.96 | 9.20 |
| | Lease Rent Received | 18.00 | 18.00 |
| | Sundry Balances Written Off | 2.80 | 0.61 |
| | **Total** | **30.55** | **30.22** |
| 27 | **Cost of Material Consumed** | | |
| | Soyabean | | |
| | Opening Stock | 470.62 | 106.30 |
| | Add: Purchases | 7,627.60 | 11,226.98 |
| | Add: Direct Expenses | 756.81 | 511.44 |
| | Less: Closing Stock | (366.97) | (470.62) |
| | **Total** | **8,488.06** | **11,374.10** |

| | | Year ended 31st March 2021 | Year ended 31st March 2020 |
|---|---|---|---|
| 28 | **Purchases of Stock-in-Trade** | | |
| | **Stock-in-trade** | | |
| | **Imported Purchase** | | |
| | Soyabean | 2,652.24 | 128.82 |
| | **Domestic Purchase** | | |
| | Soyabean | 2,171.71 | 120.50 |
| | Soyabean Meal | 1,989.82 | 614.52 |
| | Sunflower Lecithin | 11.31 | 75.94 |
| | Sunflower Oil | 71.75 | 2.61 |
| | **Total** | **6,896.83** | **942.39** |
| 29 | **Changes in Inventories** | | |
| | **Finished Goods** | | |
| | Opening Stock | 466.31 | 97.69 |
| | Closing Stock | 212.96 | 466.31 |
| | **(Increase)/Decrease** | **253.35** | **(368.62)** |
| | **Stock-in-trade** | | |
| | Opening Stock | 86.14 | 0.06 |
| | Closing Stock | 376.73 | 86.14 |
| | **(Increase)/Decrease** | **(290.59)** | **(86.08)** |
| | **Net (Increase)/Decrease** | **(37.24)** | **(454.70)** |
| 30 | **Employee Benefits Expenses** | | |
| | Salaries, Wages and Bonus | 104.54 | 122.54 |
| | Contribution to Provident & Other Funds | 5.13 | 8.31 |
| | Gratuity Contribution & Provisions | 2.78 | 2.41 |
| | Staff Welfare Expenses | 3.29 | 4.52 |
| | **Remuneration of Directors and Key Managerial Personnel** | | |
| | Salary to whole time directors | 108.00 | 129.00 |
| | Salary to Chief Financial Officer | 15.00 | 15.00 |
| | Director Sitting Fee | 1.26 | 0.32 |
| | **Total** | **240.00** | **282.10** |
| 31 | **Finance Cost** | | |
| | **Interest** | | |
| | Bank Interest | 105.00 | 103.24 |
| | Interest on Term Loan | 61.10 | 45.44 |
| | Interest on Car Loan | 61.94 | 53.43 |
| | Interest on Unsecured Loan | 14.19 | 40.34 |
| | Interest on Income Tax | 0.15 | 12.13 |
| | **Others** | | |
| | Factoring Charges | 22.72 | 29.78 |
| | Bank Charges | 6.89 | 4.73 |
| | Processing Fees | 2.36 | 7.69 |
| | **Total** | **274.35** | **296.78** |
| 32 | **Depreciation expense** | | |
| | Depreciation expense on Property, Plant & Equipment | 318.24 | 383.55 |
| | **Total** | **318.24** | **383.55** |

| | | Year ended 31st March 2021 | Year ended 31st March 2020 |
|---|---|---|---|
| 33 | **Other Expenses** | | |
| | **Administrative, Selling & Other Expenses** | | |
| | **Administrative Expense** | | |
| | Auditors Remuneration* | 0.65 | 0.65 |
| | Advertisment | 0.08 | - |
| | Business Promotion | - | 2.14 |
| | Conveyance | 4.62 | 6.05 |
| | Computer Repair & Maintenance | 0.93 | 0.94 |
| | Electricity Expenses | 1.04 | 1.45 |
| | Factory Expense - Indirect | 21.37 | 22.93 |
| | Insurance | 7.14 | 6.09 |
| | Legal | 17.45 | 7.14 |
| | Loss from Dollar Hedging | 166.82 | 76.48 |
| | Office Expense | 1.22 | 5.26 |
| | Office Rent | 3.96 | 3.96 |
| | Professional fees | 65.84 | 62.44 |
| | Professional Tax | 0.03 | 0.03 |
| | Postage & Stamp Charges | 1.37 | 1.81 |
| | Printing & Stationery | 0.68 | 2.29 |
| | Vehicle Repair & Maintenance | 1.31 | 1.36 |
| | Telephone Expense | 4.46 | 4.62 |
| | Travelling Expense | 3.29 | 23.11 |
| | **Total (A)** | **302.26** | **228.75** |
| | ***Auditor's Remuneration** | | |
| | Statutory Audit | 0.40 | 0.40 |
| | Tax Audit | 0.25 | 0.25 |
| | **Total** | **0.65** | **0.65** |
| | **(All amounts are exclusive of Goods and Service Tax)** | | |
| | **Selling Expense** | | |
| | Brokerage on sales | 94.35 | 110.52 |
| | Export Expenses | 244.72 | 483.27 |
| | Commision charges | 13.01 | 13.51 |
| | Sampling & Inspection | 17.88 | 33.24 |
| | Freight on Sales | 1,243.44 | 820.02 |
| | **Total (B)** | **1,613.40** | **1,460.56** |
| | **Other Expense** | | |
| | Charity and donation | - | 10.68 |
| | Preliminary Expenses Written off | 20.23 | 20.23 |
| | Other Interest & Late Fees | 0.26 | 3.73 |
| | Membership Fees | 0.03 | 0.25 |
| | Sundry Balance Written off | 0.02 | 0.03 |
| | Income Tax A.Y. 2018-19 | 0.38 | - |
| | Income Tax A.Y. 2019-20 | - | 0.76 |
| | Income Tax A.Y. 2020-21 | 0.99 | - |
| | Other expenses | 0.91 | 8.32 |
| | **Total (C)** | **22.82** | **44.00** |
| | **Total (A+B+C)** | **1,938.48** | **1,733.31** |

**34. Earning per share**

| | Year ended 31st March 2021 | Year ended 31st March 2020 |
|---|---|---|
| Total profit for the year | (59.81) | 49.64 |
| Weighted average number of equity shares of Rs. 10/- each (Nos) | 1,11,06,000 | 1,11,06,000 |
| **EPS - Basic and Diluted ( per share in Rs.)** | **(0.54)** | **0.45** |

**35. Contingent liabilities**

**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, and Indore for recovery of dues against our Company and Our Promoter Group Entity, 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 Rs. 9.14 on our Company, and Rs. 4.40 on our Promoter Group Entity, Agri Wing International. The last date of hearing was 6th October 2016. The matter is pending for further consideration.

**36. Employee benefits**

a) **Description of the type of the plan**

**Defined Benefit Plan - Gratuity**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

**Post-Employment Benefits plan defined in a(ii) and a(iii) above typically expose the Company to actuarial risks such as: Salary increase, Discount rate, Morality and Disability and withdrawals**

a) Salary Increases :– Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) Discount Rate :– Reduction in discount rate in subsequent valuations can increase the plan's liability.

c) Mortality &disability :– Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

d) Withdrawals :– Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

b) The following tables set out the status of the gratuity plan, unavailed leave and amounts recognized in the Company's financial statements.

| i) | **Change in benefit obligations** | **As at 31st March 2021** | **As at 31st March 2020** |
|---|---|---|---|
| | **Present value of obligation as at beginning of the period** | 5.83 | 1.13 |
| | Interest Cost | 0.38 | 0.08 |
| | Current Service Cost | 2.24 | 2.34 |
| | Benefits paid | - | - |
| | Actuarial (Gain)/Loss on obligation | (0.32) | 2.29 |
| | **Present value of obligation as at the end of the period** | **8.13** | **5.83** |
| **ii)** | **Fair Value of Plan Assets** | **-** | **-** |
| **iii)** | **Net Assets/(Liability) (ii-i)** | **(8.13)** | **(5.83)** |
| | | | |
| **iv)** | **Amount recognised in Statement of Profit and Loss** | **Year ended** | **Year ended** |
| | | **31st March 2021** | **31st March 2020** |
| | Service cost | 2.24 | 2.34 |
| | Net Interest cost | 0.38 | 0.08 |
| | Actuarial (gain) /loss for the year | - | - |
| | **Expense recognized in the Income Statement** | **2.62** | **2.41** |
| **v)** | **Amount recognised in Other Comprehensive Income (OCI)** | | |
| | Actuarial (Gain)/Loss for the year on Projected Benefit Obligation | (0.32) | 2.29 |
| | **Expense recognized in the Income Statement** | **(0.32)** | **2.29** |

| | | | |
|---|---|---|---|
| **vi)** | **Principal Actuarial Assumptions** | **As at 31st March 2021** | **As at 31st March 2020** |
| | i) Discount rate (p.a.) | 6.50% | 6.75% |
| | ii) Future salary increase (p.a.) | 5.00% | 5.00% |
| | | | |
| **vii)** | **Demographic Assumptions** | | |
| | i) Retirement age | 60 Years | 60 Years |
| | ii) Mortality rates inclusive of provision for disability | IALM 2012-14 | IALM 2012-14 |
| | iii) Withdrawal Rate | 10.00% | 10.00% |
| | | | |
| **viii)** | **Expected contributions for the next annual reporting period** | **Year ended 31st March 2021** | **Year ended 31st March 2020** |
| | Expected expense for the next annual reporting period | 3.16 | 3.30 |
| | | | |
| **ix)** | **Sensitivity Analysis of the Defined Benefit Obligation** | | |
| | **Impact of the change in discount rate** | | |
| | Present value of obligation as at the end of the period | **8.13** | **5.83** |
| | Impact due to increase of 1.00% | (0.58) | (0.41) |
| | Impact due to decrease of 1.00% | 0.66 | 0.46 |
| | **Impact of the change in salary increase** | | |
| | Present value of obligation as at the end of the period | **8.13** | **5.83** |
| | Impact due to increase of 1.00% | 0.67 | 0.47 |
| | Impact due to decrease of 1.00% | (0.59) | (0.41) |

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment & life expectancy are not applicable being a lump sum benefit on retirement.

| **x)** | **Maturity Profile of Defined Benefit Obligation** | **As at 31st March 2020** |
|---|---|---|
| | 01 Apr 2020 to 31 Mar 2021 | 0.11 |
| | 01 Apr 2021 to 31 Mar 2022 | 0.12 |
| | 01 Apr 2022 to 31 Mar 2023 | 0.13 |
| | 01 Apr 2023 to 31 Mar 2024 | 0.19 |
| | 01 Apr 2024 to 31 Mar 2025 | 0.24 |
| | 01 Apr 2025 Onwards | 5.05 |

| | **Maturity Profile of Defined Benefit Obligation** | **As at 31st March 2021** |
|---|---|---|
| | 01 Apr 2021 to 31 Mar 2022 | 0.15 |
| | 01 Apr 2022 to 31 Mar 2023 | 0.20 |
| | 01 Apr 2023 to 31 Mar 2024 | 0.26 |
| | 01 Apr 2024 to 31 Mar 2025 | 0.27 |
| | 01 Apr 2025 to 31 Mar 2026 | 0.26 |
| | 01 Apr 2026 Onwards | 6.99 |

**37. Related Party Transactions**

In accordance with the requirement of IndAS 24 on Related Parties notified under the Companies (Indian Accounting Standards) Rules, 2015, the name of related parties where control exists and / or with whom transactions have taken place during the year and description of relationships, as identified and certified by the Management are:

**a) List of related parties and nature of relationship where control exists:**

| | | |
|---|---|---|
| 1 | Key Managerial Personnel | i. Mr. Mukesh Kacholia (Managing Director)<br>ii. Mr. Ayush Kacholia(Whole Time Director)<br>iii. Mr. Rohan Kacholia(Whole Time Director)<br>iv. Mrs. Sangeeta Kacholia (Non-Executive Director)<br>v. Mrs. Karuna Kacholia (Chief Financial Officer) |
| 2 | Relatives of KMP | i. M/s. Mukesh Kacholia HUF (HUF Of Director)<br>ii. Mrs. Namrata Kacholia (Spouse of Director Mr. Rohan Kacholia) |
| 3 | Subsidiary Companies | i. M/s. Shaan Agro Oils & Extractions Pvt.Ltd.<br>ii. M/s. Biograin Protinex Pvt. Ltd. |
| 4 | Entities Where Control Exists | i. M/s. Agri Wing Organics (Directors are Partners) |

**b) Transactions with the related parties for the year ended** **(₹ in Lakhs)**

| Particulars | Subsidiary | Key Managerial Personnel | Relatives of KMP | Entities where control exists |
|---|---|---|---|---|
| **31st March 2021** | | | | |
| **Employee Benefit Expenses** | | | | |
| Mr. Mukesh Kacholia | - | 36.00 | - | - |
| Mr. Ayush Kacholia | - | 36.00 | - | - |
| Mr. Rohan Kacholia | - | 36.00 | - | - |
| Mrs. Karuna Kacholia | - | 15.37 | - | - |
| Mrs. Namrata Kacholia | - | - | 12.40 | - |
| **Interest Paid** | | | | |
| Mr. Mukesh Kacholia | - | 6.90 | - | - |
| Mr. Ayush Kacholia | - | 0.69 | - | - |
| Mr. Rohan Kacholia | - | 0.90 | - | - |
| **Unsecured Loans Received** | | | | |
| Mr. Mukesh Kacholia | - | 161.80 | - | - |
| Mr. Ayush Kacholia | - | 47.00 | - | - |
| Mr. Rohan Kacholia | - | 44.50 | - | - |
| **Unsecured Loans Repaid** | | | | |
| Mr. Mukesh Kacholia | - | 95.94 | - | - |
| Mr. Ayush Kacholia | - | 21.00 | - | - |
| Mr. Rohan Kacholia | - | 24.00 | - | - |
| **Rent Paid** | | | | |
| Mrs. Sangeeta Kacholia | - | 3.96 | - | - |
| **Sales During the Year** | | | | |
| M/s. Shaan Agro Oils & Extractions Pvt. Ltd. | 2,685.37 | - | - | - |
| M/s. Agri Wing Organics | - | - | - | 4.31 |
| **Rent Received** | | | | |
| M/s. Shaan Agro Oils & Extractions Pvt. Ltd. | 18.00 | - | - | - |

| | | | | |
|---|---|---|---|---|
| **31st March 2020** | | | | |
| **Employee Benefit Expenses** | | | | |
| Mr. Mukesh Kacholia | - | 43.00 | - | - |
| Mr. Ayush Kacholia | - | 43.00 | - | - |
| Mr. Rohan Kacholia | - | 43.00 | - | - |
| Mrs. Karuna Kacholia | - | 15.37 | - | - |
| Mrs. Namrata Kacholia | - | - | 12.40 | - |

| | | | | |
|---|---|---|---|---|
| **Interest Paid** | | | | |
| Mr. Mukesh Kacholia | - | 5.45 | - | - |
| Mr. Ayush Kacholia | - | 3.06 | - | - |
| Mr. Rohan Kacholia | - | 1.93 | - | - |
| **Unsecured Loans Received** | | | | |
| Mr. Mukesh Kacholia | - | 124.75 | - | - |
| Mr. Ayush Kacholia | - | 77.05 | - | - |
| Mr. Rohan Kacholia | - | 43.10 | - | - |
| **Unsecured Loans Repaid** | | | | |
| Mr. Mukesh Kacholia | - | 266.55 | - | - |
| Mr. Ayush Kacholia | - | 181.43 | - | - |
| Mr. Rohan Kacholia | - | 114.30 | - | - |
| **Advance Received** | | | | |
| M/s. Agri Wing Organics | - | - | - | 32.30 |
| **Rent Paid** | | | | |
| Mrs. Sangeeta Kacholia | - | 3.96 | - | - |
| Mr. Mukesh Kacholia | - | 3.20 | - | - |
| **Purchase During the Year** | | | | |
| M/s. Agri Wing Organics | - | - | - | 275.53 |
| **Sales During the Year** | | | | |
| M/s. Shaan Agro Oils & Extractions Pvt. Ltd. | 3,522.34 | - | - | - |
| M/s. Agri Wing Organics | - | - | - | 49.13 |
| **Rent Received** | | | | |
| M/s. Shaan Agro Oils & Extractions Pvt. Ltd. | 18.00 | - | - | - |

**c) Detail of Outstanding Balances are as follows:-**

| Particulars | Subsidiary | Key Managerial Personnel | Relatives of KMP | Entities where control exists |
|---|---|---|---|---|
| **As on 31st March 2021** | | | | |
| **Unsecured Loans** | | | | |
| Mr. Mukesh Kacholia | - | 77.10 | - | - |
| Mr. Ayush Kacholia | - | 29.36 | - | - |
| Mr. Rohan Kacholia | - | 23.05 | - | - |
| **Trade Receivables** | | | | |
| M/s. Shaan Agro Oils & Extractions Pvt. Ltd. | 865.15 | - | - | - |
| **Salary Payable** | | | | |
| Mr. Ayush Kacholia | - | 1.20 | - | - |
| Mr. Rohan Kacholia | - | 1.15 | - | - |
| Mrs. Namrata Kacholia | - | - | 0.45 | - |
| **Rent Payable** | | | | |
| Mrs. Sangeeta Kacholia | - | 0.30 | - | - |
| **As on 31st March 2020** | | | | |
| **Unsecured Loans** | | | | |
| Mr. Mukesh Kacholia | - | 4.86 | - | - |
| Mr. Ayush Kacholia | - | 2.73 | - | - |
| Mr. Rohan Kacholia | - | 1.71 | - | - |
| **Trade Receivables** | | | | |
| M/s. Shaan Agro Oils & Extractions Pvt. Ltd. | 885.36 | - | - | - |
| **Advance Received** | | | | |
| M/s. Agri Wing Organics | - | - | - | 32.30 |

| | | | | |
|---|---|---|---|---|
| **Salary Payable** | | | | |
| Mrs. Karuna Kacholia | - | 1.00 | - | - |
| Mrs. Namrata Kacholia | - | - | 0.25 | - |
| **As on 1st April 2019** | | | | |
| **Unsecured Loans** | | | | |
| Mr. Mukesh Kacholia | - | 141.75 | - | - |
| Mr. Ayush Kacholia | - | 104.36 | - | - |
| Mr. Rohan Kacholia | - | 114.30 | - | - |
| **Loans & Advances** | | | | |
| Shaan Agro Oils & Extractions Pvt. Ltd. | 687.62 | - | - | - |

**38. Financial instruments**

**Fair value measurements**

**Following table shows the carrying amounts and fair values of financial assets and financial liabilities:**

| | **As at 31st March 2021** | | **As at 31st March 2020** | | **As at 1st April 2019** | |
|---|---|---|---|---|---|---|
| | **FVTPL** | **Amortised Cost** | **FVTPL** | **Amortised Cost** | **FVTPL** | **Amortised Cost** |
| **Financial Assets** | | | | | | |
| Investments | - | 457.00 | - | 457.00 | - | 457.00 |
| Trade Receivables | - | 1,880.91 | - | 1,860.96 | - | 2,986.57 |
| Cash and Cash Equivalents | - | 37.68 | - | 12.13 | - | 23.83 |
| Bank balances other than Cash and Cash Equivalents | - | 129.03 | - | 120.95 | - | 113.82 |
| Loans and advances | - | 0.60 | - | 1.37 | - | 688.26 |
| Others | - | 66.72 | - | 60.12 | - | 62.91 |
| **Total** | **-** | **2,571.94** | **-** | **2,512.53** | **-** | **4,332.39** |
| | | | | | | |
| **Current** | **-** | **2,051.51** | **-** | **1,999.42** | **-** | **3,816.77** |
| **Non-Current** | **-** | **520.43** | **-** | **513.11** | **-** | **515.62** |
| | | | | | | |
| **Financial Liabilities** | | | | | | |
| Borrowings | - | 2,604.40 | - | 3,494.69 | - | 4,473.42 |
| Trade Payables | - | 771.25 | - | 241.77 | - | 335.46 |
| Other Financial Liabilities | - | 19.09 | - | 27.09 | - | 29.95 |
| **Total** | **-** | **3,394.74** | **-** | **3,763.55** | **-** | **4,838.83** |
| | | | | | | |
| **Current** | **-** | **2,487.81** | **-** | **3,437.06** | **-** | **3,820.53** |
| **Non-Current** | **-** | **906.93** | **-** | **326.49** | **-** | **1,018.30** |

**Fair Value hierarchy**

The following tables shows the levels in the fair value hierarchy of financial assets and financial liabilities

| | **Fair value Measurement** | | |
|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** |
| **As at 31st March 2021** | | | |
| **Financial Assets** | | | |
| Trade Receivables | - | - | 1,880.91 |
| Cash and Cash Equivalents | - | - | 37.68 |
| Bank balances other than Cash and Cash Equivalents | - | - | 129.03 |
| Loans and advances | - | - | 0.60 |
| Others | - | - | 66.72 |
| **Total** | **-** | **-** | **2,114.94** |

| | | | |
|---|---|---|---|
| **Financial Liabilities** | | | |
| Borrowings | - | - | 2,604.40 |
| Trade Payables | - | - | 771.25 |
| Other Financial Liabilities | - | - | 19.09 |
| **Total** | **-** | **-** | **3,394.74** |
| | | | |
| **As at 31st March 2020** | | | |
| **Financial Assets** | | | |
| Trade Receivables | - | - | 1,860.96 |
| Cash and Cash Equivalents | - | - | 12.13 |
| Bank balances other than Cash and Cash Equivalents | - | - | 120.95 |
| Loans and advances | - | - | 1.37 |
| Others | - | - | 60.12 |
| **Total** | **-** | **-** | **2,055.53** |
| | | | |
| **Financial Liabilities** | | | |
| Borrowings | - | - | 3,494.69 |
| Trade Payables | - | - | 241.77 |
| Other Financial Liabilities | - | - | 27.09 |
| **Total** | **-** | **-** | **3,763.55** |
| | | | |
| **As at 1st April 2019** | | | |
| **Financial Assets** | | | |
| Trade Receivables | - | - | 2,986.57 |
| Cash and Cash Equivalents | - | - | 23.83 |
| Bank balances other than Cash and Cash Equivalents | - | - | 113.82 |
| Loans and advances | - | - | 688.26 |
| Others | - | - | 62.91 |
| **Total** | **-** | **-** | **3,875.39** |
| | | | |
| **Financial Liabilities** | | | |
| Borrowings | - | - | 4,473.42 |
| Trade Payables | - | - | 335.46 |
| Other Financial Liabilities | - | - | 29.95 |
| **Total** | **-** | **-** | **4,838.83** |

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values of borrowings are based on discounted cash flows using a borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**39. Financial Risk Management Objectives and Policies**

The Company's principal financial liabilities comprise borrowings, security deposits, trade and other payables, etc. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivable, security deposit, cash and cash equivalents, etc. that derive directly from its operations. The Company also holds investments in the shares of its subsidiary measured at amortised cost.

The Company is exposed to market risk, credit risk and liquidity risk. The management oversees the management of these risks. The management is responsible for formulating an appropriate financial risk governance framework for the Company and periodically reviewing the same. The management ensures that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

**a) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and Equity price risk.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has borrowings, therefore Company is exposed to such risk.

(ii) Foreign Currency Risk

The Indian Rupee is the Company's most significant currency. As a consequence, the Company's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. So, the Company is exposed to such risk.

(iii) Equity Price Risk

The Company's investment in shares are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the price risk through diversification and by placing limits on individual and total instruments. Reports on the portfolio are submitted to the management on a regular basis.

**b) Credit Risk**

**The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet**

| **Particulars** | **As at 31st March 2021** | **As at 31st March 2020** | **As at 1st April 2019** |
|---|---|---|---|
| Trade receivables | 1,880.91 | 1,860.96 | 2,986.57 |
| Other financial assets | 66.72 | 60.12 | 62.91 |

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk arises mainly from loans, trade receivables and financial assets. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. None of the trade receivables are credit impaired as on reporting date.

On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the expected credit loss for trade receivables is not significant.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitors credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

The Company's exposure to credit risk for trade receivables are as follows:

| **Particulars** | **As at 31st March 2021** | **As at 31st March 2020** | **As at 1st April 2019** |
|---|---|---|---|
| **Carrying Amount** | | | |
| 1-30 days past due | 1,128.11 | 1,169.34 | 1,481.86 |
| 31 to 90 days past due | 671.48 | 396.82 | 1,461.11 |
| More than 90 days past due | 81.32 | 294.80 | 43.59 |
| **Total** | **1,880.91** | **1,860.96** | **2,986.57** |

**c) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 31st March 2021:

| | Carrying amount | Contractual Cash Flows | | | |
|---|---|---|---|---|---|
| | | 0-1 year | 1-5 years | > 5 years | Total |
| Borrowings | 2,340.91 | 2,141.20 | 199.71 | - | 2,340.91 |
| Trade Payables | 771.25 | 759.15 | 12.10 | - | 771.25 |
| Other Financial Liabilities | 282.58 | 282.58 | - | - | 282.58 |
| **Total** | **3,394.74** | **3,182.93** | **211.81** | **-** | **3,394.74** |

The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 31st March 2020:

| | Carrying amount | Contractual Cash Flows | | | |
|---|---|---|---|---|---|
| | | 0-1 year | 1-5 years | > 5 years | Total |
| Borrowings | 3,241.16 | 2,914.67 | 326.49 | - | 3,241.16 |
| Trade Payables | 241.77 | 189.70 | 52.07 | - | 241.77 |
| Other Financial Liabilities | 280.62 | 280.62 | - | - | 280.62 |
| **Total** | **3,763.55** | **3,384.98** | **378.57** | **-** | **3,763.55** |

The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 1st April 2019:

| | Carrying amount | Contractual Cash Flows | | | |
|---|---|---|---|---|---|
| | | 0-1 year | 1-5 years | > 5 years | Total |
| Borrowings | 4,082.92 | 3,425.02 | 657.90 | - | 4,082.92 |
| Trade Payables | 335.46 | 317.31 | 18.15 | - | 335.46 |
| Other Financial Liabilities | 420.45 | 420.45 | - | - | 420.45 |
| **Total** | **4,838.83** | **4,162.78** | **676.05** | **-** | **4,838.83** |

**40. Capital Management**

The management policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The Company's management monitor the return on capital employed.

**Company's Gearing ratio**

| | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|
| Total Liabilities | 3,476.04 | 3,879.13 | 5,063.69 |
| Less: Cash and Cash Equivalents | 166.71 | 133.08 | 137.65 |
| Net Debt | 3,309.33 | 3,746.05 | 4,926.04 |
| Total Equity | 3,026.98 | 3,086.56 | 3,038.60 |
| **Gearing Ratio** | **1.09** | **1.21** | **1.62** |

**41. Note on First Time Adoption of Ind AS:**

The accounting policies set out in the note here have been applied in preparing the financial statements for the year ended 31st March, 2021, the comparative information presented in these financial statements for the year ended 31st March, 2020 and in the preparation of an opening Ind AS balance sheet at 1st April, 2019 [the Company's date of transition].

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies [Accounting Standards] Rules, 2006 [as amended] and other relevant provisions of the Act [Indian GAAP]. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following notes.

**Exemptions and exceptions availed:**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

**Optional exemptions**

**a) Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment at their Indian GAAP carrying values.

**b) Deemed cost for Investment in Subsidiary**

The Company has elected to continue with the carrying value of its investment in subsidiary recognised as of 1st April 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**Mandatory exceptions**

**c) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition shall be consistent with estimates made for the same date in accordance with Indian GAAP [after adjustments to reflect any difference in accounting policies], unless there is objective evidence that those estimates were in error.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Impairment of financial assets based on the expected credit loss model.

- Determination of the discounted value for financial instruments carried at amortised cost.

- Discounted value of long term provisions.

**Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

**Note on Transition to Ind AS - Reconciliations:**

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Equity as at 1st April, 2019

II. A. Reconciliation of Equity as at 31st March, 2020

B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2020

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.

## I. Reconciliation of Equity as at 1st April, 2019

| Sr. No. | Particulars | As at 1st April, 2019 (Date of transition) | | |
|---|---|---|---|---|
| | | I GAAP | Adjustment | IND AS |
| **I.** | **ASSETS** | | | |
| | **Non-Current Assets** | | | |
| | (a) Property, Plant and Equipment | 2,561.96 | - | 2,561.96 |
| | (b) Financial Assets | | | |
| | (i) Investments | 457.00 | - | 457.00 |
| | (ii) Others | 58.62 | - | 58.62 |
| | (c) Income Tax Assets (net) | - | - | - |
| | (d) Other Non-Current Assets | 67.45 | - | 67.45 |
| | **Total Non-Current Assets** | **3,145.03** | **-** | **3,145.03** |
| | **Current Assets** | | | |
| | (a) Inventories | 219.35 | - | 219.35 |
| | (b) Financial Assets | | | |
| | (i) Trade Receivables | 2,986.57 | - | 2,986.57 |
| | (ii) Cash and Cash Equivalents | 137.65 | (113.82) | 23.83 |
| | (iii) Bank balances other than (ii) above | - | 113.82 | 113.82 |
| | (iv) Loans and advances | 1,431.86 | (743.60) | 688.26 |
| | (v) Others | - | 4.29 | 4.29 |
| | (c) Other Current Assets | 336.15 | 584.99 | 921.14 |
| | **Total Current Assets** | **5,111.58** | **(154.32)** | **4,957.26** |
| | **Total Assets** | **8,256.61** | **(154.32)** | **8,102.29** |
| **II.** | **EQUITY AND LIABILITIES** | | | |
| | **Equity** | | | |
| | (a) Equity Share Capital | 740.40 | - | 740.40 |
| | (b) Other Equity | 2,298.20 | (0.01) | 2,298.19 |
| | **Total Equity** | **3,038.60** | **(0.01)** | **3,038.59** |
| | **Liabilities** | | | |
| | **Non-Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 1,018.30 | - | 1,018.30 |
| | (b) Provisions | 1.13 | (0.35) | 0.78 |
| | (c) Deferred Tax Liabilities (net) | 70.24 | 0.01 | 70.25 |
| | **Total Non-Current Liabilities** | **1,089.67** | **(0.34)** | **1,089.33** |
| | **Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 3,064.62 | - | 3,064.62 |
| | (ii) Trade Payables | 335.46 | - | 335.46 |
| | (iii) Other Financial Liabilities | - | 420.53 | 420.53 |
| | (b) Other Current Liabilities | 402.48 | (390.46) | 12.02 |
| | (c) Provisions | 325.78 | (298.52) | 27.26 |
| | (d) Current Tax Liabilities (Net) | - | 114.47 | 114.47 |
| | **Total Current Liabilities** | **4,128.34** | **(153.98)** | **3,974.36** |
| | **Total Equity And Liabilities** | **8,256.61** | **(154.33)** | **8,102.29** |

**II. A. Reconciliation of Equity as at 31st March, 2020**

| Sr. No. | Particulars | As at 1st April, 2020 (Date of transition) | | |
|---|---|---|---|---|
| | | I GAAP | Adjustment | IND AS |
| I. | **ASSETS** | | | |
| | **Non-Current Assets** | | | |
| | (a) Property, Plant and Equipment | 2,287.93 | - | 2,287.93 |
| | (b) Financial Assets | | | |
| | (i) Investments | 457.00 | - | 457.00 |
| | (ii) Others | 56.11 | - | 56.11 |
| | (c) Income Tax Assets (net) | - | 68.01 | 68.01 |
| | (d) Other Non-Current Assets | 47.21 | - | 47.21 |
| | **Total Non-Current Assets** | **2,848.25** | **68.01** | **2,916.26** |
| | **Current Assets** | | | |
| | (a) Inventories | 1,072.84 | - | 1,072.84 |
| | (b) Financial Assets | | | |
| | (i) Trade Receivables | 1,860.96 | - | 1,860.96 |
| | (ii) Cash and Cash Equivalents | 133.08 | (120.95) | 12.13 |
| | (iii) Bank balances other than (ii) above | - | 120.95 | 120.95 |
| | (iv) Loans and advances | 1,073.61 | (1,072.24) | 1.37 |
| | (v) Others | - | 4.01 | 4.01 |
| | (c) Other Current Assets | 11.93 | 965.24 | 977.17 |
| | **Total Current Assets** | **4,152.42** | **(102.99)** | **4,049.43** |
| | **Total Assets** | **7,000.67** | **(34.98)** | **6,965.69** |
| II. | **EQUITY AND LIABILITIES** | | | |
| | **Equity** | | | |
| | (a) Equity Share Capital | 1,110.60 | - | 1,110.60 |
| | (b) Other Equity | 1,975.34 | 0.62 | 1,975.96 |
| | Total Equity | 3,085.94 | 0.62 | 3,086.56 |
| | **Liabilities** | | | |
| | Non-Current Liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 326.49 | - | 326.49 |
| | (b) Provisions | 5.83 | (0.11) | 5.72 |
| | (c) Deferred Tax Liabilities (net) | 59.19 | (0.60) | 58.59 |
| | **Total Non-Current Liabilities** | **391.51** | **(0.71)** | **390.80** |
| | **Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 2,914.67 | - | 2,914.67 |
| | (ii) Trade Payables | 241.77 | - | 241.77 |
| | (iii) Other Financial Liabilities | - | 280.62 | 280.62 |
| | (b) Other Current Liabilities | 268.75 | (253.49) | 15.26 |
| | (c) Provisions | 98.03 | (62.02) | 36.01 |
| | (d) Current Tax Liabilities (Net) | - | - | - |
| | **Total Current Liabilities** | **3,523.22** | **(34.89)** | **3,488.33** |
| | **Total Equity And Liabilities** | **7,000.67** | **(34.98)** | **6,965.69** |

**B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2020**

| Sr. No. | Particulars | Year ended 31st March 2020 | | |
|---|---|---|---|---|
| | | **I GAAP** | **Adjustment** | **IND AS** |
| | **INCOME** | | | |
| | Revenue From Operations | 14,600.89 | - | 14,600.89 |
| | Other Income | 30.22 | - | 30.22 |
| | **Total Income** | **14,631.11** | **-** | **14,631.11** |
| | **EXPENSES** | | | |
| | Cost of Material Consumed | 11,374.10 | - | 11,374.10 |
| | Purchases of Stock-in-Trade | 942.39 | - | 942.39 |
| | Changes in inventories of finished goods, Stock-in-Trade and work-in-progress | (454.70) | - | (454.70) |
| | Employee Benefit Expenses | 284.39 | (2.29) | 282.10 |
| | Finance Costs | 296.78 | - | 296.78 |
| | Depreciation & Amortization Expense | 383.55 | - | 383.55 |
| | Other Expenses | 1,733.31 | - | 1,733.31 |
| | **Total Expenses** | **14,559.81** | **(2.29)** | **14,557.52** |
| | **Profit before tax** | **71.30** | **2.29** | **73.59** |
| | **Tax Expense** | | | |
| | Current Tax | 35.00 | - | 35.00 |
| | Deferred Tax | (11.05) | - | (11.05) |
| | **Total Tax Expense** | **23.95** | **-** | **23.95** |
| | **Profit for the period** | **47.35** | **2.29** | **49.64** |
| | **Other Comprehensive Income** | | | |
| | **A) Items that will not be reclassified to profit or loss** | | | |
| | Re-measurement gain on defined benefit plans | - | (2.29) | (2.29) |
| | Income tax relating to re-measurement gain on defined benefit plans | - | 0.61 | 0.61 |
| | **Total Other Comprehensive Income** | **-** | **(1.68)** | **(1.68)** |
| | **Total Comprehensive Income** | **47.35** | **0.61** | **47.96** |

**Foot Note to the Reconciliations:**

**a. Remeasurement Cost of Net Defined Liability**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

**b. Deferred Tax**

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach {against profit and loss approach in the Indian GAAP) for computation of deferred taxes has resulted in charge to Reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss account for the subsequent periods.

**c. Other Comprehensive Income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**d. Estimates**

The estimates at 1st April 2019 and 31st March 2020 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions on 1st April 2019, the date of transition to Ind AS and as of 31st March 2020.

**e. Re-classification as per requirement of Ind AS**

Reclassification have been done in respective heads as per requirement of Indian Accounting Standards (Ind AS).

**42.** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**43.** Previous year's figures have been regrouped / reclassified, where necessary, to confirm to current year's classification. This does not impact recognition and measurement principles followed for preparation of financial statements.

**For: Muchhal & Gupta**
**Chartered Accountants**
**FRN: 004423C**

**Prakash Chandra Gupta**
**Partner**
**Membership No. 073011** **Place: Indore**
**UDIN: 21073011AAAACU5681** **Date: 30th June, 2021**

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF**

**SHANTI OVERSEAS (INDIA) LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the Consolidated Financial Statements of Shanti Overseas (India) Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at 31st March 2021, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

**Basis for opinion**

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

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, which are of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Key Audit Matters</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td colspan="2">Transition date accounting<br>Refer the accounting policies in the Consolidated Financial Statements: Significant Accounting Policies – 'Basis of preparation' and note 39 to the Consolidated Financial Statements</td></tr>
<tr><td>Effective 1st April 2020, the Company has adopted the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs with the transition date of 1st April 2019.<br>The following are the major impact areas for the Company upon transition:<br>• Classification and measurement of financial assets and financial liabilities<br>• Accounting for actuarial gain / loss on postemployment benefit<br>Migration to the new accounting framework i.e. Ind AS, is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.<br>We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above.</td><td>Our Audit procedures included: -<br>• Assessed the design, implementation, and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101.<br>• Evaluated management's transition date choices and exemptions for compliance /acceptability under Ind AS 101.<br>• Understood the methodology implemented by management to give impact on the transition.<br>• Assessed the accuracy of the computations.<br>• Assessed areas of significant estimates and management judgment in line with principles under Ind AS.</td></tr>
</table>

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Management's and the Board of Directors' Responsibility for the Consolidated Financial Statements**

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

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

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

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair

presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Consolidated balance sheet, the Consolidated statement of profit and loss (including other comprehensive income), the Consolidated statement of changes in equity and the Consolidated statement of cash flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
   e) On the basis of the written representations received from the directors as on March 31st, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31st, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.
   h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act and section 67 of the Companies (Amendment) Act, 2017.
   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      1. The Company has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements. (Refer Note-33)
      2. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      3. There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

**For: Muchhal & Gupta**
**Chartered Accountants**
**FRN: 004423C**

**Prakash Chandra Gupta**
**Partner**
**M.No. 073011** — **Place: Indore**
**UDIN: 21073011AAAACV1727** — **Date: 30th June, 2021**

## Annexure “A” to the Independent Auditor’s Report on Consolidated Financial Statements

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Shanti Overseas (India) Limited of even date)

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

We have audited the internal financial controls over financial reporting of SHANTI OVERSEAS (INDIA) LIMITED (“the Company”) which includes its Subsidiaries as of March 31st, 2021, in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Board of Directors of the company and its subsidiaries is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company and its subsidiaries 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. 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 respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the company and its subsidiaries 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the company and its subsidiaries.

### 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 and its subsidiaries; (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 and its subsidiaries are being made only in accordance with authorizations of management and directors of the company and its subsidiaries; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company and its subsidiaries’ assets that could have a material effect on the financial statements.

### Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the company and its subsidiaries 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 31st, 2021, based on the internal control over financial reporting criteria established by the company and its subsidiaries considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For: Muchhal & Gupta**
**Chartered Accountants**
**FRN: 004423C**

**Prakash Chandra Gupta**
**Partner**
**Membership No. 073011**
**UDIN: 21073011AAAACV1727**

**Place: Indore**
**Date: 30th June, 2021**

**SHANTI OVERSEAS (INDIA) LTD.**
**CIN : L51211MP2011PLC025807**
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2021**

**(Rs in lakhs, unless stated otherwise)**

| | Particulars | Notes | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|---|
| | **ASSETS** | | | | |
| | **Non-Current Assets** | | | | |
| (a) | Property, Plant and Equipment | 4 | 2,989.35 | 3,397.10 | 3,792.48 |
| (b) | Financial Assets | | | | |
| | (i) Others | 5 | 66.43 | 56.11 | 58.62 |
| (c) | Income Tax Assets (net) | 7c) | 3.07 | 68.01 | - |
| (d) | Other Non-Current Assets | 6 | 28.90 | 49.06 | 69.22 |
| | **Total Non-Current Assets** | | **3,087.75** | **3,570.28** | **3,920.32** |
| | **Current Assets** | | | | |
| (a) | Inventories | 8 | 1,342.12 | 1,528.72 | 625.61 |
| (b) | Financial Assets | | | | |
| | (i) Trade Receivables | 9 | 1,419.90 | 1,054.40 | 2,986.63 |
| | (ii) Cash and Cash Equivalents | 10a) | 41.46 | 15.34 | 26.61 |
| | (iii) Bank balances other than (ii) above | 10b) | 129.03 | 120.95 | 113.82 |
| | (iv) Loans and advances | 11 | 0.74 | 1.44 | 1.74 |
| | (v) Others | 12 | 3.29 | 4.01 | 4.29 |
| (c) | Other Current Assets | 13 | 1,042.67 | 1,223.07 | 1,120.19 |
| | **Total Current Assets** | | **3,979.21** | **3,947.93** | **4,878.89** |
| | **Total Assets** | | **7,066.96** | **7,518.21** | **8,799.21** |
| | **EQUITY AND LIABILITIES** | | | | |
| | **Equity** | | | | |
| (a) | Equity Share Capital | 14 | 1,110.60 | 1,110.60 | 740.40 |
| (b) | Other Equity | 15 | 1,815.63 | 1,807.17 | 2,194.30 |
| | **Total Equity** | | **2,926.23** | **2,917.77** | **2,934.70** |
| | **Liabilities** | | | | |
| | **Non-Current Liabilities** | | | | |
| (a) | Financial Liabilities | | | | |
| | (i) Borrowings | 16 | 1,162.72 | 602.49 | 1,394.30 |
| (b) | Provisions | 17 | 7.98 | 5.72 | 0.78 |
| (c) | Deferred Tax Liabilities (net) | 7b) | 75.34 | 112.09 | 126.36 |
| | **Total Non-Current Liabilities** | | **1,246.04** | **720.30** | **1,521.44** |
| | **Current Liabilities** | | | | |
| (a) | Financial Liabilities | | | | |
| | (i) Borrowings | 18 | 1,657.33 | 3,157.98 | 3,280.66 |
| | (ii) Trade Payables | 19 | | | |
| | Dues to Micro enterprises & small enterprises | | - | - | - |
| | Dues to Others | | 780.49 | 276.23 | 378.58 |
| | (iii) Other Financial Liabilities | 20 | 409.07 | 386.17 | 528.29 |
| (b) | Other Current Liabilities | 21 | 25.50 | 23.44 | 12.69 |
| (c) | Provisions | 22 | 14.15 | 36.32 | 28.38 |
| (d) | Current Tax Liabilities (Net) | 23 | 8.15 | - | 114.47 |
| | **Total Current Liabilities** | | **2,894.69** | **3,880.14** | **4,343.07** |
| | **Total Equity and Liabilities** | | **7,066.96** | **7,518.21** | **8,799.21** |

Significant accounting policies & key accounting estimates & judgements 1-3
See accompanying notes to the Financial Statements 4-43
This is the Balance Sheet referred to in our report of even date

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

**Date: 30/06/2021**
**Place: Indore**

As per our Report of even date annexed
**For MUCHHAL & GUPTA**
Chartered Accountants
**Prakash C. Gupta**
(Partner)
M.No.: 073011
FRN: 004423C
UDIN: 21073011AAAACU5681

## SHANTI OVERSEAS (INDIA) LTD.

## CIN : L51211MP2011PLC025807

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

(Rs in lakhs, unless stated otherwise)

| | Particulars | Notes | Year ended 31st March 2021 | Year ended 31st March 2020 |
|---|---|---|---|---|
| | **INCOME** | | | |
| I. | Revenue From Operations | 24 | 21,044.29 | 15,890.40 |
| II. | Other Income | 25 | 12.55 | 12.22 |
| | **III Total Income (I+II)** | | **21,056.84** | **15,902.62** |
| **IV.** | **EXPENSES** | | | |
| | Cost of Material Consumed | 26 | 9,583.44 | 12,065.20 |
| | Purchases of Stock-in-Trade | 27 | 8,398.44 | 1,140.99 |
| | Changes in inventories of finished goods, Stock-in-Trade and work-in-progress | 28 | 29.06 | (501.73) |
| | Employee Benefit Expenses | 29 | 291.72 | 314.94 |
| | Finance Costs | 30 | 331.02 | 362.74 |
| | Depreciation Expense | 31 | 454.87 | 539.37 |
| | Other Expenses | 32 | 1,985.91 | 1,975.02 |
| | **Total Expenses** | | **21,074.46** | **15,896.53** |
| **V.** | **Profit before tax** | | **(17.62)** | **6.09** |
| **VI.** | **Tax Expense** | **7a)** | | |
| | Current Tax | | 10.98 | 35.00 |
| | Deferred Tax | | (36.83) | (13.66) |
| | **Total Tax Expense** | | **(25.85)** | **21.34** |
| **VII.** | **Profit for the period** | | **8.23** | **(15.25)** |
| **VIII.** | **Other Comprehensive Income** | | | |
| | Items that will not be reclassified to profit or loss | | | |
| | Re-measurement gain on defined benefit plans | | 0.32 | (2.29) |
| | Income tax relating to re-measurement gain on defined benefit plans | | (0.08) | 0.61 |
| | **Total Other Comprehensive Income** | | **0.24** | **(1.68)** |
| | **Total Comprehensive Income** | | **8.47** | **(16.93)** |
| **IX.** | **Earnings Per Share (In Rs)** | **33** | | |
| | (1) Basic | | 0.07 | (0.14) |
| | (2) Diluted | | 0.07 | (0.14) |

Significant accounting policies & key accounting estimates & judgements 1-3
See accompanying notes to the Financial Statements 4-43
This is the Balance Sheet referred to in our report of even date

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 MUCHHAL & GUPTA**
Chartered Accountants

**Prakash C. Gupta**
(Partner)
M.No.: 073011
FRN: 004423C
UDIN: 21073011AAAACU5681

**Date: 30/06/2021**
**Place: Indore**

**SHANTI OVERSEAS (INDIA) LTD.**

**CIN : L51211MP2011PLC025807**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021**

**(Rs in lakhs, unless stated otherwise)**

| (a) Equity Share Capital | As at 31st March 2021 | | As at 31st March 2020 | | As at 1st April 2019 | |
|---|---|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount | Number of Shares | Amount |
| Issued, Subscribed & Fully Paid up (Equity Shares of Rs.10/- each) | | | | | | |
| Opening Balance | 11,106,000 | 1,110.60 | 7,404,000 | 740.40 | 7,404,000 | 740.40 |
| Issued during the year | - | - | 3,702,000 | 370.20 | - | - |
| **Closing Balance** | **11,106,000** | **1,110.60** | **11,106,000** | **1,110.60** | **7,404,000** | **740.40** |

**(b) Other equity**

| | Reserves & Surplus | | Other Comprehensive Income | Total |
|---|---|---|---|---|
| | Retained Earnings | Securities Premium | | |
| **Balance as at 1st April 2019** | **1,392.66** | **801.60** | **0.04** | **2,194.30** |
| Bonus issue of shares | - | (370.20) | - | (370.20) |
| Loss for the period | (15.25) | - | - | (15.25) |
| Other comprehensive income for the period | - | - | (1.68) | (1.68) |
| **Balance as at 31st March 2020** | **1,377.41** | **431.40** | **(1.64)** | **1,807.17** |
| **Balance as at 1st April 2020** | **1,377.41** | **431.40** | **(1.64)** | **1,807.17** |
| Profit for the period | 8.23 | - | - | 8.23 |
| Other comprehensive income for the period | - | - | 0.24 | 0.24 |
| **Balance as at 31st March 2021** | **1,385.63** | **431.40** | **(1.40)** | **1,815.63** |

This is the Statement of Changes in Equity referred to in our report of even date

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

As per our Report of even date annexed
**For 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
UDIN: 21073011AAAACU5681

**Date: 30/06/2021**
**Place: Indore**

# SHANTI OVERSEAS (INDIA) LTD.
## CIN : L51211MP2011PLC025807
## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2021

(Rs in lakhs, unless stated otherwise)

| | Particulars | Notes | Year ended 31st March 2021 | Year ended 31st March 2020 |
|---|---|---|---|---|
| A. | **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| | Profit before tax | | (17.62) | 6.09 |
| | **Adjustments for:** | | | |
| | Depreciation expense | | 454.87 | 539.37 |
| | Finance Costs | | 331.02 | 362.74 |
| | Interest on Deposit | | (7.96) | (9.20) |
| | Acturial gain and loss | | 0.32 | (2.29) |
| | Operating profit before working capital changes | | 760.63 | 896.71 |
| | Adjustments for: | | | |
| | Decrease/(Increase) in Inventories | | 186.60 | (903.11) |
| | Decrease/(Increase) in Loans | | 0.70 | 0.30 |
| | Decrease/(Increase) in Trade Receivables | | (365.50) | 1,932.23 |
| | Decrease/(Increase) in Other Financial Assets | | (9.60) | 2.79 |
| | Decrease/(Increase) in Other assets | | 200.56 | (82.72) |
| | Increase/(Decrease) in Trade Payables | | 504.26 | (102.35) |
| | Increase/(Decrease) in Other Financial Liabilities | | 22.90 | (142.12) |
| | Increase/(Decrease) in Other Liabilities | | 2.06 | 10.75 |
| | Increase/(Decrease) in Provisions | | (19.91) | 12.88 |
| | **Cash flow from operating activities post working capital changes** | | **1,282.69** | **1,625.36** |
| | Direct taxes | | 62.11 | (217.48) |
| | **Net cash flow from operating activities (A)** | | **1,344.80** | **1,407.88** |
| B. | **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| | Purchase of Property Plant and Equipment | | (47.12) | (143.99) |
| | Interest received | | 7.96 | 9.20 |
| | **Net cash used in investing activities (B)** | | **(39.16)** | **(134.79)** |
| C. | **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| | Proceeds from Borrowings | | (940.42) | (914.49) |
| | Interest paid | | (331.02) | (362.74) |
| | **Net cash used in financing activities (C)** | | **(1,271.44)** | **(1,277.23)** |
| | **NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)** | | **34.20** | **(4.14)** |
| | **Cash and cash equivalents as at 1st April** | | **136.29** | **140.43** |
| | **Cash and cash equivalents as at 31st March** | | **170.49** | **136.29** |
| | **NET INCREASE IN CASH AND CASH EQUIVALENTS** | | **34.20** | **(4.14)** |

**Notes** 1. The Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 - 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder.

| Cash and Cash Equivalents | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|
| Balances with banks | 28.44 | 13.30 | 24.74 |
| Cash on hand | 13.02 | 2.04 | 1.87 |
| Bank deposit with maturity more than 3 months but less than 12 months | 129.03 | 120.95 | 113.82 |
| | **170.49** | **136.29** | **140.43** |

This is the Statement of Cash Flow referred to in our report of even date

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

As per our Report of even date annexed
**For 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
UDIN: 21073011AAAACU5681

**Date: 30/06/2021**
**Place: Indore**

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED SUMMARY OF STATEMENTS

**1. Corporate Information**

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 "Shanti Overseas", pursuant to a deed of partnership dated 15th November, 2004. "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 18th April, 2011 from Registrar of Companies, Madhya Pradesh. Subsequently, the Company was converted into a public limited company vide fresh Certificate of Incorporation dated 20th January, 2017 issued by the Registrar of Companies, Gwalior. The company is listed on NSE EMERGE platform via initial public offer on 3rd August, 2017.Shanti Overseas (India) Limited is engaged in primary processing and trading of agri commodities and manufacturing of Soya Products such as Organic Soyabean Meal and Soy Crude Oil.

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

Shanti Overseas (India) Limited together with its subsidiary is hereinafter referred to as the "Group".

**2. Basis of preparation**

**a) Statement of compliance:**

These consolidated financial statements have been prepared on a going concern basis following the accrual basis of accounting in accordance with the Generally accepted Accounting Principles (GAAP) in India (Indian Accounting standards referred to as "IndAS") as specified under the section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 and relevant amendments rules issued thereafter.

The consolidated financial statements are presented in Rupees and all values are rounded to the nearest lakhs upto two decimals places except when otherwise indicated.

**b) Basis of measurement:**

The consolidated financial statements have been prepared on a historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value as required under relevant IndAS.

**c) Significant accounting judgements, estimates and assumptions**

The preparation of the Group consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accounting disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**d) Basis of Consolidation:**

**Subsidiaries**

| Name of company | Country of Incorporation | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| Shaan Agro Oils & Extractions Private Limited | India | 100% | 100% | 100% |
| Biograin Protinex Private Limited | India | 100% | 100% | 100% |

**e) Critical accounting estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**i. Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**ii. Employee benefit plans**

The cost of the defined benefit gratuity plan, other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**iii. Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

**iv. Property Plant and Equipment**

Useful lives and residual values are determined by the management at the time the asset is acquired and reviewed at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

## 3. Significant Accounting Policies

### 3.1 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- ► Expected to be realised or intended to be sold or consumed in normal operating cycle
- ► Held primarily for the purpose of trading
- ► Expected to be realised within twelve months after the reporting period, or
- ► Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ► It is expected to be settled in normal operating cycle
- ► It is held primarily for the purpose of trading
- ► It is due to be settled within twelve months after the reporting period, or
- ► There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### 3.2 Property, Plant &Equipments

**Recognition and initial measurement**

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group.

All other repair and maintenance costs are recognized in Consolidated statement of profit or loss as incurred.

**Subsequent measurement (depreciation and useful lives)**

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Depreciation on property, plant and equipment has been provided using written down value method using rates determined based on management's assessment of useful economic lives of the asset.

Followings are the estimated useful lives of various category of assets used which are aligned with useful lives defined in schedule II of Companies Act, 2013 :

| | |
|---|---|
| Factory Building | 30 Years |
| Plant & Machinery | 15-40 Years |
| Office Equipment | 5 Years |
| Office Furniture | 5- 10 Years |
| Electrical Equipment | 5- 10 Years |
| Electrical fittings | 10-15 Years |
| RCC Road | 10 Years |
| Computer | 3 Years |
| Vehicles | 8 Years |

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**Derecognition:**

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the Consolidated statement of profit and loss, when the asset is de-recognized.

**Capital work-in-progress (CWIP)**

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in progress.

### 3.3 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**3.4 Provisions, Contingent Liabilities and Contingent Assets**

**Provisions:**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in respective expense.

**Contingent Liabilities and Contingent Assets**

Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the consolidated financial statements.

**3.5 Leases**

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether,

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

The Group applies a single recognition and measurement approach for all leases, except for short term leases (twelve month or less) and leases of low-value. For short-term and leases of low value, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease. For all other leases, the Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.They are subsequently measured at cost less accumulated depreciation and impairment losses

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset

Lease liability and ROU asset, if any, have been separately presented in the Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

**3.6 Inventories:**

Inventories are valued as under:

**Raw materials, stores and spares**

Lower of cost and net realisable value. Cost is determined on a weighted average basis. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.

**Finished Goods & Work In Progress:**

Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of attributable overheads

**Stock-In-Trade**

Valued at lower of cost or net realizable value and for this purpose cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**3.7 Income tax**

**Current tax:**

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax:**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Group and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Consolidated Balance Sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

3.8 <u>**Employee Benefits**</u>

**Short-term Employee Benefits:**

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

**Post-employment benefit plans:**

<u>Defined Contribution Plans:</u>

State governed Provident Fund Scheme and Employees State Insurance Scheme are defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employees render the related services.

<u>Defined benefit plans</u>

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's gratuity scheme is a defined benefit plan. Currently, the Group's gratuity scheme is unfunded. The Group recognises the defined benefit liability in Consolidated Balance sheet. The present value of the obligation under such defined benefit plan and the related current service cost and, where applicable past service cost are determined based on an actuarial valuation done using the Projected Unit Credit Method by an independent actuary, which recognises 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 obligations are measured at the present value of the estimated future cash flows.

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) is reflected immediately in Other Comprehensive Income in the Consolidated Statement of Profit and loss. All other expenses related to defined benefit plans are recognised in Consolidated Statement of Profit and Loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to Consolidated Statement of Profit and Loss hence it is treated as part of retained earnings in the Consolidated Statement of Changes In Equity.

3.9 <u>**Fair value measurement**</u>

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible to/ by the Group.

**Fair value hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**3.10 Financial Instruments**

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

**a) Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

► Debt instruments at amortised cost - The Group has cash & cash equivalents, loans and trade receivables classified within this category.

► Debt instruments at fair value through other comprehensive income (FVTOCI) - The Group does not have any financial asset classified in this category.

► Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL) - The Group does not have any financial asset classified in this category.

► Equity instruments measured at fair value through other comprehensive income (FVTOCI) - The Group does not have any financial asset classified in this category.

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation and losses arising from impairment are recognised in the Consolidated Statement of Profit & Loss. The amortised cost of the financial asset is also adjusted for loss allowance, if any.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Group has not designated any such debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit & Loss.

**Derecognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the Consolidated Statement of Profit and Loss.

**Impairment of financial assets**

In accordance with IndAS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are measured at amortised cost e.g. Loans and trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**b) Financial liabilities**

**Initial recognition and measurement**

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial liabilities are initially measured at fair value deducted by, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

**Subsequent measurement**

Financial liabilities are classified as measured at amortised cost using the effective interest method. The Group's financial liabilities include trade payables, borrowings and other financial liabilities.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as expense over the relevant period of the financial liability in the Consolidated Statement of Profit and Loss.

**Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Consolidated Statement of Profit and Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

**3.11 <u>Cash and cash equivalents</u>**

Cash and cash equivalent in the Consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**3.12 <u>Revenue Recognition</u>**

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

**Sale of goods**

Revenue from the sale of goods is recognised when control of the goods have passed to the buyer, usually on delivery of the goods. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

**Interest income**

Interest income on financial asset is recognised using the effective interest rate (EIR) method.

**Dividends**

Dividend income from investment is accounted for when the right to receive is established, which is generally when shareholders approve the dividend.

Export incentives receivable, TMA scheme incentive receivable and duty drawback receivable

Export incentives receivable, TMA scheme incentive 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 such proceeds.

**3.13 Earnings per share**

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares.

**3.14 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a 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. The cash flows from operating, investing and financing activities of the Group are segregated.

**3.15 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Group has been identified as being the chief operating decision maker by the Management of the Group.

**3.16 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 Group has incurred these expenses. As the management believes that actual benefit from those expenses will be derived in a period of 5 years and not immediately. Till then Group shows Preliminary & pre-operative expenses under other non current assets head.

**3.17 Foreign currency transactions**

Transactions in foreign currencies are recorded by the Group entities at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Non Monetary asset and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction

Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss with the exception that the exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

**3.18 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets up to the assets are substantially ready for their intended use. The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised in the year in which they occur

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

**3.19 Standards issued but not yet effective**

On March 24st, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Consolidated Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the consolidated statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc

**Consolidated statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

**SHANTI OVERSEAS (INDIA) LTD.**

**CIN : L51211MP2011PLC025807**

**SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**4 Property, Plant and Equipment (PPE)**

**(Rs in lakhs, unless stated otherwise)**

| | Land | Factory Building | Plant & Machinery | Office Equipment | Office Furniture | Electrical Equipment | Electrical fittings | RCC Road | Computer | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Value** | | | | | | | | | | | |
| **Balance as at 1st April 2019** | **284.51** | **1,336.92** | **1,849.60** | **4.01** | **48.93** | **15.32** | **180.03** | **26.57** | **17.21** | **29.38** | **3,792.48** |
| Additions during the year | - | 49.69 | 56.98 | - | 16.48 | 4.25 | 1.49 | - | 1.82 | 13.28 | 143.99 |
| Disposals during the year | - | - | - | - | - | - | - | - | - | - | - |
| **Balance as at 31st March 2020** | **284.51** | **1,386.61** | **1,906.58** | **4.01** | **65.41** | **19.57** | **181.52** | **26.57** | **19.03** | **42.66** | **3,936.47** |
| **Balance as at 1st April 2020** | **284.51** | **1,386.61** | **1,906.58** | **4.01** | **65.41** | **19.57** | **181.52** | **26.57** | **19.03** | **42.66** | **3,936.47** |
| Additions during the year | - | 24.02 | 10.53 | - | 1.99 | - | 9.58 | - | 1.00 | - | 47.12 |
| Disposals during the year | - | - | - | - | - | - | - | - | - | - | - |
| **Balance as at 31st March 2021** | **284.51** | **1,410.63** | **1,917.11** | **4.01** | **67.40** | **19.57** | **191.10** | **26.57** | **20.03** | **42.66** | **3,983.59** |
| **Accumulated Depreciation** | | | | | | | | | | | |
| **Balance as at 1st April 2019** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Depreciation charge for the year | - | 130.59 | 311.19 | 0.16 | 14.86 | 5.51 | 46.71 | 6.88 | 11.09 | 12.38 | 539.37 |
| **Balance as at 31st March 2020** | **-** | **130.59** | **311.19** | **0.16** | **14.86** | **5.51** | **46.71** | **6.88** | **11.09** | **12.38** | **539.37** |
| **Balance as at 1st April 2020** | **-** | **130.59** | **311.19** | **0.16** | **14.86** | **5.51** | **46.71** | **6.88** | **11.09** | **12.38** | **539.37** |
| Depreciation charge for the year | - | 67.92 | 318.26 | 0.09 | 13.74 | 5.99 | 34.62 | - | 4.96 | 9.29 | 454.87 |
| **Balance as at 31st March 2021** | **-** | **198.51** | **629.45** | **0.25** | **28.60** | **11.50** | **81.33** | **6.88** | **16.05** | **21.67** | **994.24** |
| **Net carrying value** | | | | | | | | | | | |
| **As at 1st April 2019** | **284.51** | **1,336.92** | **1,849.60** | **4.01** | **48.93** | **15.32** | **180.03** | **26.57** | **17.21** | **29.38** | **3,792.48** |
| **As at 31st March 2020** | **284.51** | **1,256.02** | **1,595.39** | **3.85** | **50.55** | **14.06** | **134.81** | **19.69** | **7.94** | **30.28** | **3,397.10** |
| **As at 31st March 2021** | **284.51** | **1,212.12** | **1,287.66** | **3.76** | **38.80** | **8.07** | **109.77** | **19.69** | **3.98** | **20.99** | **2,989.35** |

**Note**

The Group has applied the optional exemption to measure its Property, Plant & Equipment at the date of transitional at their previous GAAP carrying amount and used it as the deemed cost for such assets.

## SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs in lakhs, unless stated otherwise)

| 5 | Other Non-Current Financial Assets | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | **Unsecured, considered good, unless otherwise stated** | | | |
| | Security Deposits | 40.75 | 39.42 | 38.16 |
| | Margin Money Fixed Deposits with original maturity of more than 12 months | 25.68 | 16.69 | 20.46 |
| | **Total** | **66.43** | **56.11** | **58.62** |

| 6 | Other Non-Current Assets | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | **Preliminary Expenses** | | | |
| | IPO Expenses | 47.46 | 67.69 | 87.92 |
| | Less : Written off during the year | (20.23) | (20.23) | (20.23) |
| | Preoperative Expense | 1.67 | 1.60 | 1.53 |
| | **Total** | **28.90** | **49.06** | **69.22** |

| 7 | **Income tax** | | |
|---|---|---|---|
| 7a) | **The major components of income tax expense for the year are as under:** | | |
| i) | **Amounts recognised in the Statement of Profit and Loss comprises :** | **Year ended 31st March 2021** | **Year ended 31st March 2020** |
| | **Current tax:** | | |
| | - in respect of the current year | 10.98 | 35.00 |
| | | **10.98** | **35.00** |
| | **Deferred tax expense:** | | |
| | Attributable to - | | |
| | - Origination and reversal of temporary differences | (27.07) | (13.66) |
| | - MAT Credit Entitlement | (9.76) | - |
| | | **(36.83)** | **(13.66)** |
| | **Total Income tax expense** | **(25.85)** | **21.34** |

| ii) | **Income tax recognised in Other Comprehensive Income** | **Year ended 31st March 2021** | **Year ended 31st March 2020** |
|---|---|---|---|
| | Net loss/(gain) on remeasurements of defined benefit plans | (0.08) | 0.61 |
| | **Income tax charged to OCI** | **(0.08)** | **0.61** |

| 7b) | **Reconciliation of effective tax rate** | | **Year ended 31st March 2021** | **Year ended 31st March 2020** |
|---|---|---|---|---|
| | Profit before tax | **A** | (17.62) | 6.09 |
| | Company's domestic tax rate | **B** | 26.00% | 27.82% |
| | **Tax expense** | **C = A * B** | **(4.58)** | **1.69** |
| | **Tax effect of :** | | | |
| | Expenses not allowable | | 20.99 | 28.59 |
| | Deferred tax recognised | | (36.83) | (13.66) |
| | Others | | (5.43) | 4.72 |
| | **Tax expense as recognised in Statement of Profit and Loss** | | **(25.85)** | **21.34** |

| 7c) | **Deferred Tax Liabilities (Net)** | | | | |
|---|---|---|---|---|---|
| | | **As at 1st April 2019** | **Profit & Loss** | **OCI** | **As at 31st March 2020** |
| | **Deferred tax relates to the following:** | | | | |
| | Property, Plant & Equipment | 126.35 | (12.35) | - | 114.00 |
| | Provision for gratuity | - | (1.31) | - | (1.31) |
| | Re-measurements of the defined benefit plans | 0.01 | - | (0.61) | (0.60) |
| | **Deferred Tax Liabilities (Net)** | **126.36** | **(13.66)** | **(0.61)** | **112.09** |

| | | **As at 1st April 2020** | **Profit & Loss** | **OCI** | **As at 31st March 2021** |
|---|---|---|---|---|---|
| | **Deferred tax relates to the following:** | | | | |
| | Property, Plant & Equipment | 114.00 | (26.47) | - | 87.53 |
| | Provision for gratuity | (1.31) | (0.60) | - | (1.91) |
| | Re-measurements of the defined benefit plans | (0.60) | - | 0.08 | (0.52) |
| | MAT Credit Entitlement | - | (9.76) | - | (9.76) |
| | **Deferred Tax Liabilities (Net)** | **112.09** | **(36.83)** | **0.08** | **75.34** |

| 7d) | **Income Tax Assets (Net)** | **As at 31st March 2021** | **As at 31st March 2020** | **As at 1st April 2019** |
|---|---|---|---|---|
| | Advance income-tax (net of provision for taxation) | 3.07 | 68.01 | - |
| | | **3.07** | **68.01** | **-** |

| 8 | **Inventories (valued at lower of cost and net realizable value)** | **As at 31st March 2021** | **As at 31st March 2020** | **As at 1st April 2019** |
|---|---|---|---|---|
| | Finished Goods | 521.55 | 846.89 | 432.28 |
| | Raw Material | 368.11 | 497.70 | 125.27 |
| | Stock-in-trade | 390.68 | 86.14 | - |
| | Others | 61.78 | 97.99 | 68.06 |
| | **Total** | **1,342.12** | **1,528.72** | **625.61** |

| 9 | **Trade Receivables** | **As at 31st March 2021** | **As at 31st March 2020** | **As at 1st April 2019** |
|---|---|---|---|---|
| | **Unsecured, considered good, unless otherwise stated** | | | |
| | Others | 1,419.90 | 1,054.40 | 2,986.63 |
| | **Total** | **1,419.90** | **1,054.40** | **2,986.63** |

Trade receivables are non-interest bearing and are generally on credit terms of 30 days.

| 10a) | **Cash & Cash Equivalents** | **As at 31st March 2021** | **As at 31st March 2020** | **As at 1st April 2019** |
|---|---|---|---|---|
| | Balances with banks | 28.44 | 13.30 | 24.74 |
| | Cash on hand | 13.02 | 2.04 | 1.87 |
| | **Total** | **41.46** | **15.34** | **26.61** |

| 10b) | Bank Balances other than "Cash & Cash Equivalents" | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Bank deposit with maturity more than 3 months but less than 12 months | 129.03 | 120.95 | 113.82 |
| | **Total** | **129.03** | **120.95** | **113.82 12** |

| 11 | Current Financial Assets - Loans and advances | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | **Unsecured, considered good unless otherwise stated** | | | |
| | Staff loan | 0.74 | 1.44 | 1.74 |
| | **Total** | **0.74** | **1.44** | **1.74** |

| 12 | Other Current Financial Assets | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Interest accrued on Fixed Deposits | 3.29 | 4.01 | 4.29 |
| | **Total** | **3.29** | **4.01** | **4.29** |

| 13 | Other Current Assets | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Balances with Government Authorities | 670.61 | 823.49 | 529.28 |
| | Amount recoverable in cash or kind from others | 61.91 | 274.48 | 248.00 |
| | Export Incentive (MEIS Scheme) | 269.94 | 82.95 | 320.77 |
| | Prepaid Expenses | 5.08 | 6.59 | 11.01 |
| | Interest Subsidy Receivable | - | - | 6.25 |
| | TMA Scheme Receivable | 28.35 | 28.35 | - |
| | Quarterly Incremental License | 3.02 | 3.02 | 3.02 |
| | TDS Receivable (NBFC) | 3.76 | 4.19 | 1.84 |
| | Others | - | - | 0.02 |
| | **Total** | **1,042.67** | **1,223.07** | **1,120.19** |

| 14 | Equity Share Capital | | | | | | |
|---|---|---|---|---|---|---|---|
| (a) | **Authorised & Issued Share Capital** | As at 31st March 2021 | | As at 31st March 2020 | | As at 1st April 2019 | |
| | **Authorised Share Capital** | Number | Amount | Number | Amount | Number | Amount |
| | Equity Shares of Rs 10/- each | 12,000,000 | 1,200.00 | 12,000,000 | 1,200.00 | 7,600,000 | 760.00 |
| | **Issued, Subscribed & Fully Paid up** | | | | | | |
| | Equity Shares of Rs 10/- each | 11,106,000 | 1,110.60 | 11,106,000 | 1,110.60 | 7,404,000 | 740.40 |
| (b) | **Reconciliation of Share Capital** | | | | | | |
| | **Issued, Subscribed & Fully Paid up** | | | | | | |
| | **Equity Shares of Rs 10/- each** | Number | Amount | Number | Amount | Number | Amount |
| | Opening Balance | 11,106,000 | 1,110.60 | 7,404,000 | 740.40 | 7,404,000 | 740.40 |
| | Add: Bonus Shares issued | - | - | 3,702,000 | 370.20 | - | - |
| | **Closing Balance** | **11,106,000** | **1,110.60** | **11,106,000** | **1,110.60** | **7,404,000** | **740.40** |

**(c) Terms and rights attached to equity shares**

i) The Group has one class of equity shares referred to as equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share.

ii) In the event of liquidation of the group, the holders of equity share will be entitled to received remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) The Group declares and pays dividends in Indian rupees. During the year ended 31st March, 2021, the group has not declared any dividend.

**(d) Disclosure of Shares in the company held by each shareholder holding more than 5% Equity Shares**

| Name of Shareholder | As at 31st March 2021 | | As at 31st March 2020 | | As at 1st April 2019 | |
|---|---|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Mr. Mukesh Kacholia | 2,422,875 | 21.82% | 2,422,875 | 21.82% | 1,564,250 | 21.13% |
| Mr. Ayush Kacholia | 1,701,000 | 15.32% | 1,701,000 | 15.32% | 1,080,000 | 14.59% |
| Mrs. Sangeeta Devi Kacholia | 808,125 | 7.28% | 808,125 | 7.28% | 541,750 | 7.32% |
| Mrs. Karuna Kacholia | 805,500 | 7.25% | 805,500 | 7.25% | 540,000 | 7.29% |
| Mr. Rohan Kacholia | 1,701,000 | 15.32% | 1,701,000 | 15.32% | 1,080,000 | 14.59% |
| Mrs. Namrata Kacholia | 805,500 | 7.25% | 805,500 | 7.25% | 540,000 | 7.29% |
| **Total** | **8,244,000** | **74.23%** | **8,244,000** | **74.23%** | **5,346,000** | **72.20%** |

**(e) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

During the year ended March 31st, 2020, the Group has alloted 37,02,000 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 group has also not alloted any equity shares against consideration other than cash, bought back any shares or issued securities convertible into Equity/Preference shares. Neither are any calls unpaid by any director or officer of the group during the year.

| 15 | Other Equity | Reserves & Surplus | | Other Comprehensive Income | Total |
|---|---|---|---|---|---|
| | | Retained Earnings | Securities Premium | | |
| | **Balance as at 1st April 2019** | **1,392.66** | **801.60** | **0.04** | **2,194.30** |
| | Bonus issue of shares | - | (370.20) | - | (370.20) |
| | Loss for the period | (15.25) | - | - | (15.25) |
| | Other comprehensive income for the period | - | - | (1.68) | (1.68) |
| | **Balance as at 31st March 2020** | **1,377.41** | **431.40** | **(1.64)** | **1,807.17** |
| | Balance as at 1st April 2020 | 1,377.41 | 431.40 | (1.64) | 1,807.17 |
| | Profit for the period | 8.23 | - | - | 8.23 |
| | Other comprehensive income for the period | - | - | 0.24 | 0.24 |
| | **Balance as at 31st March 2021** | **1,385.63** | **431.40** | **(1.40)** | **1,815.63** |

| 16 | Borrowings | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | **Secured** | | | |
| | Term loans from bank* | 1,032.21 | 580.26 | 954.63 |
| | **Unsecured** | | | |
| | Loans from related parties (Refer note 36) | 130.51 | 10.30 | 361.41 |
| | Loans from Banks | - | - | 16.13 |
| | Loans from NBFC's | - | 11.93 | 62.13 |
| | **Total** | **1,162.72** | **602.49** | **1,394.30** |

(i) Secured loans from banks include Term Loan & Car Loan.

(ii) The Term loan was availed from Kotak Mahindra Bank during the F.Y. 2017-18, which carries interest @ 8.80% p.a. The loan is secured by hypothecation of movable Plant & Machinery which is located at Dhannad. The loan is further secured by immovable assets of the group and personal guarantee of the directors.

(iii) The Car loan is availed from Axis Bank during the F.Y. 2019-20, which carries interest @ 9.86% p.a. Loan is sanctioned against hypothecation of Hyudai Venue Car and the loan is re-payable in 36 equal installments.

| 17 | Provisions (Non-current) | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | **Provision for employee benefits (Refer Note 36)** | | | |
| | Provision for gratuity | 7.98 | 5.72 | 0.78 |
| | **Total** | **7.98** | **5.72** | **0.78** |

| 18 | Current Borrowings | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Secured Loans from Banks | 1,657.33 | 3,157.98 | 3,280.66 |
| | **Total** | **1,657.33** | **3,157.98** | **3,280.66** |

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.

| 19 | Trade Payables | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Dues to Micro enterprises & small enterprises (Refer Note c below) | - | - | - |
| | Dues to Others | 780.49 | 276.23 | 378.58 |
| | **Total** | **780.49** | **276.23** | **378.58** |

**Notes:**

| | | | |
|---|---|---|---|
| a) Trade payables are non-interest bearing. | | | |
| b) For explanations on the Group liquidity risk management processes, (refer to Note 38). | | | |
| c) Details of Dues to Micro enterprises & small enterprises under MSMED Act , 2006 | - | - | - |
| - The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year | | | |
| - Principal amount due to micro and small enterprises | - | - | - |
| - Interest due on above | - | - | - |
| - The amount of interest paid by the buyer in terms of section 16 of MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - | - |
| - The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the Appointed day during the year ) but without adding the interest Specified under the MSMED Act 2006. | - | - | - |
| - The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - | - |
| - The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowances as deductible expenditure under section 23 of MSMED Act 2006 | - | - | - |

| d) | Trade Payable from others | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Creditor for Capital Goods | 4.94 | 50.93 | 98.10 |
| | Creditor for Goods | 645.45 | 69.32 | 196.71 |
| | Creditor for Expense | 130.10 | 155.98 | 83.77 |
| | **Total** | **780.49** | **276.23** | **378.58** |

| 20 | Other Financial Liabilities (Current) | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Current maturities of long-term borrowings (Secured) | 383.69 | 353.53 | 490.50 |
| | Interest accrued and due on Term Loan | 10.90 | 12.27 | 19.06 |
| | Unpaid dividends | 0.08 | 0.08 | 0.08 |
| | Employee Liabilities | 14.40 | 20.29 | 18.65 |
| | **Total** | **409.07** | **386.17** | **528.29** |

| 21 | Other Current Liabilities | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Statutory Liabilities | 20.26 | 21.83 | 0.04 |
| | Contribution to Provident Fund and other Funds | 5.24 | 1.61 | 12.65 |
| | **Total** | **25.50** | **23.44** | **12.69** |

| 22 | Provision (Current) | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | **Provision for employee benefits (Refer Note 35)** | | | |
| | Provision for gratuity | 0.15 | 0.11 | 0.35 |
| | Others | | | |
| | Provision for expenses | 2.61 | 14.18 | 2.31 |
| | Director Sitting Fee Payable | 1.32 | 0.32 | 0.32 |
| | Electricity Payable | 10.07 | 21.71 | 25.40 |
| | **Total** | **14.15** | **36.32** | **28.38** |

| 23 | Current Tax Liabilities (Net) | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|---|
| | Provision for taxation (net of Advance income-tax) | 8.15 | - | 114.47 |
| | **Total** | **8.15** | **-** | **114.47** |

| | | Year ended 31st March 2021 | Year ended 31st March 2020 |
|---|---|---|---|
| 24 | **Revenue from Operations** | | |
| | **Sale of products** | | |
| | **Export Sales** | | |
| | Soyabean Meal | 6,792.97 | 9,292.41 |
| | Soyabean Refined Oil | - | 180.38 |
| | Soya Lecithin | - | 112.63 |
| | Sunflower Lecithin | - | 96.98 |
| | **Domestic Sales** | | |
| | Soyabean Crude Oil | 175.32 | - |
| | Soyabean | 5,064.99 | 103.43 |
| | Soya Soap Stocks | 17.17 | - |
| | Sunflower Lecithin | 13.00 | 49.13 |
| | Soyabean Refined Oil | 4,375.11 | 2,797.48 |
| | Soy Lecithin | 81.97 | 173.83 |
| | Soy Fatty Acid | 13.06 | 11.15 |
| | Soyabean Meal | 2,674.56 | 765.14 |
| | Rejection / By Product Sales | 69.45 | 96.23 |

| | | Year ended 31st March 2021 | Year ended 31st March 2020 |
|---|---|---|---|
| | **Other Operating Revenue:** | | |
| | Duty Drawback | 10.16 | 17.28 |
| | Export Incentive (MEIS) | 269.43 | 591.83 |
| | Freight on Export Sale | 886.34 | 869.93 |
| | Foreign Exchange Fluctuation | 187.63 | 300.05 |
| | Profit from NCDEX | 185.81 | 167.15 |
| | Packing Material Sales | 20.51 | 20.43 |
| | TMA Incentive Scheme | 116.05 | 199.61 |
| | Quantity & Rate Difference | 1.07 | - |
| | Qlty Claim & Discount Received | 89.69 | 45.33 |
| | **Total** | **21,044.29** | **15,890.40** |
| **25** | **Other Income** | | |
| | Interest from MPSEB | 1.79 | 2.41 |
| | Interest on deposits | 7.96 | 9.20 |
| | Sundry Balances Written Off | 2.80 | 0.61 |
| | **Total** | **12.55** | **12.22** |
| **26** | **Cost of Material Consumed** | | |
| | **Soyabean** | | |
| | Opening Stock | 470.62 | 106.30 |
| | Add: Purchases | 7,627.60 | 11,226.98 |
| | Add: Direct Expenses | 756.80 | 511.44 |
| | Less: Closing Stock | (366.96) | (470.62) |
| | **Total (A)** | **8,488.06** | **11,374.10** |
| | **Soyabean Crude Oil** | | |
| | Opening Stock | 18.84 | 9.63 |
| | Add: Purchases | 905.01 | 444.86 |
| | Add: Direct Expenses | 172.68 | 255.45 |
| | Less: Closing Stock | (1.15) | (18.84) |
| | **Total (B)** | **1,095.38** | **691.10** |
| | **Total (A+B)** | **9,583.44** | **12,065.20** |
| **27** | **Purchases of Stock-in-Trade** | | |
| | **Stock-in-trade** | | |
| | **Imported Purchase** | | |
| | Soyabean | 2,652.24 | 128.82 |
| | **Domestic Purchase** | | |
| | Soyabean | 3,428.58 | 120.50 |
| | Soyabean Meal | 2,234.56 | 813.12 |
| | Sunflower Lecithin | 11.31 | 75.94 |
| | Soya Refined Oil | - | - |
| | Sunflower Oil | 71.75 | 2.61 |
| | **Total** | **8,398.44** | **1,140.99** |

| | | Year ended 31st March 2021 | Year ended 31st March 2020 |
|---|---|---|---|
| 28 | **Changes in Inventories** | | |
| | **Finished Goods** | | |
| | Opening Stock | 855.15 | 97.69 |
| | Closing Stock | 521.55 | 855.15 |
| | **(Increase)/Decrease** | **333.60** | **(757.46)** |
| | **Stock-in-trade** | | |
| | Opening Stock | 86.14 | 341.87 |
| | Closing Stock | 390.68 | 86.14 |
| | **(Increase)/Decrease** | **(304.54)** | **255.73** |
| | **Net (Increase)/Decrease** | **29.06** | **(501.73)** |
| 29 | **Employee Benefit Expenses** | | |
| | Salaries, Wages and Bonus | 116.14 | 135.61 |
| | Contribution to Provident & Other Funds | 8.73 | 12.11 |
| | Gratuity Contribution & Provisions | 2.78 | 2.41 |
| | Staff Welfare Expenses | 3.81 | 5.48 |
| | **Remuneration of Directors and Key Managerial Personnel** | | |
| | Salary to whole time directors | 144.00 | 144.00 |
| | Salary to Chief Financial Officer | 15.00 | 15.00 |
| | Director Sitting Fee | 1.26 | 0.33 |
| | **Total** | **291.7219** | **314.94** |
| 30 | **Finance Cost** | | |
| | **Interest** | | |
| | Bank Interest | 124.11 | 218.92 |
| | Interest on Term Loan | 97.29 | 36.61 |
| | Interest on Car Loan | 61.94 | 1.42 |
| | Interest on Unsecured Loan | 14.19 | 40.34 |
| | Interest on Income Tax | 0.15 | 12.13 |
| | **Others** | | |
| | Factoring Charges | 22.72 | 29.79 |
| | Bank Charges | 8.01 | 15.34 |
| | Processing Fees | 2.61 | 8.19 |
| | **Total** | **331.02** | **362.74** |
| 31 | **Depreciation expense** | | |
| | Depreciation expense on Property, Plant & Equipment | 454.87 | 539.37 |
| | **Total** | **454.87** | **539.37** |
| 32 | **Other Expenses** | | |
| | **Administrative, Selling & Other Expenses** | | |
| | **Administrative Expense** | | |
| | Auditors Remuneration* | 0.80 | 0.80 |
| | Advertisment | 0.08 | - |
| | Business Promotion | - | 2.14 |
| | Conveyance | 4.66 | 6.06 |
| | Computer Repair & Maintenance | 0.93 | 0.94 |
| | Electricity Expenses (office) | 1.04 | 1.45 |
| | Factory Expense - Indirect | 21.72 | 23.83 |
| | Insurance expense | 12.90 | 8.27 |
| | Legal | 24.67 | 9.10 |
| | Loss from Dollar Hedging | 166.82 | 76.48 |

| | | Year ended 31st March 2021 | Year ended 31st March 2020 |
|---|---|---|---|
| | Office Expense | 1.53 | 5.33 |
| | Office Rent | 5.28 | 5.28 |
| | Professional fees | 78.91 | 75.71 |
| | Professional Tax | 0.05 | 0.05 |
| | Postage & Stamp Charges | 1.42 | 2.16 |
| | Printing & Stationery | 0.70 | 2.49 |
| | Vehicle Repair & Maintenance | 1.31 | 1.36 |
| | Telephone Expense | 4.46 | 4.62 |
| | Travelling Expense | 3.29 | 23.15 |
| | **Total (A)** | **330.57** | **249.22** |
| | ***Auditor's Remuneration** | | |
| | Statutory Audit | 0.50 | 0.50 |
| | Tax Audit | 0.30 | 0.30 |
| | **Total** | **0.80** | **0.80** |
| | **(All amounts are exclusive of Goods and Service Tax)** | | |
| | **Selling Expense** | | |
| | Brokerage on sales | 111.15 | 8.05 |
| | Export Expenses | 244.72 | 624.20 |
| | Commision charges | 13.01 | 13.51 |
| | Sampling & Inspection | 19.40 | 46.30 |
| | Freight on Sales | 1,243.44 | 989.61 |
| | **Total (B)** | **1,631.72** | **1,681.67** |
| | **Other Expense** | | |
| | Charity and donation | - | 10.68 |
| | Preliminary Expenses Written off | 20.23 | 20.23 |
| | Other Interest & Late Fees | 0.34 | 0.58 |
| | Membership Fees | 0.03 | 0.25 |
| | Sundry Balance Written off | 0.73 | 0.03 |
| | Income Tax A.Y. 2018-19 | 0.38 | - |
| | Income Tax A.Y. 2019-20 | - | 0.76 |
| | Income Tax A.Y. 2020-21 | 1.00 | - |
| | Other expenses | 0.91 | 11.60 |
| | **Total (C)** | **23.62** | **44.13** |
| | **Total (A+B+C)** | **1,985.91** | **1,975.02** |

33. **Earning per share**

| | Year ended 31st March 2021 | Year ended 31st March 2020 |
|---|---|---|
| Total profit for the year | 8.23 | (15.25) |
| Weighted average number of equity shares of Rs. 10/- each (Nos) | 1,11,06,00 | 1,11,06,000 |
| **EPS - Basic and Diluted (per share in Rs.)** | **0.07** | **(0.14)** |

34. **Contingent liabilities**

**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 Group with City Civil Court no XVII Civil Judge Class I, District Judge, and Indore for recovery of dues against our Group and Our Promoter Group Entity, Agri Wing International. The matter is in dispute for the quality issue and cancellation of supply of contract beyond 545.885 metric tons. The group claims that it has made the payment as per the agreed calculation. The liability in the present matter can be of an amount of Rs. 9.14 on our Group, and Rs. 4.40 on our Promoter Group Entity, Agri Wing International. The last date of hearing was 6th October 2016. The matter is pending for further consideration.

35. **Employee benefits**

a) **Description of the type of the plan**

**Defined Benefit Plan - Gratuity**

The Group operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Group on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

**Post-Employment Benefits plan defined in a(ii) and a(iii) above typically expose the Group to actuarial risks such as: Salary increase, Discount rate, Morality and Disability and withdrawals**

a) Salary Increases:– Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) Discount Rate:– Reduction in discount rate in subsequent valuations can increase the plan's liability.

c) Mortality &disability:– Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

d) Withdrawals:– Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

b) The following tables set out the status of the gratuity plan, unavailed leave and amounts recognized in the Group financial statements.

| i) | **Change in benefit obligations** | **As at 31st March 2021** | **As at 31st March 2020** |
|---|---|---|---|
| | **Present value of obligation as at beginning of the period** | 5.83 | 1.13 |
| | Interest Cost | 0.38 | 0.08 |
| | Current Service Cost | 2.24 | 2.34 |
| | Benefits paid | - | - |
| | Actuarial (Gain)/Loss on obligation | (0.32) | 2.29 |
| | **Present value of obligation as at the end of the period** | **8.13** | **5.83** |
| ii) | **Fair Value of Plan Assets** | **-** | **-** |
| iii) | **Net Assets/(Liability) (ii-i)** | **(8.13)** | **(5.83)** |
| | | | |
| iv) | **Amount recognised in Statement of Profit and Loss** | **Year ended** | **Year ended** |
| | | **31st March 2021** | **31st March 2020** |
| | Service cost | 2.24 | 2.34 |
| | Net Interest cost | 0.38 | 0.08 |
| | Actuarial (gain) /loss for the year | - | - |
| | **Expense recognized in the Income Statement** | **2.62** | **2.41** |
| v) | **Amount recognised in Other Comprehensive Income (OCI)** | | |
| | Actuarial (Gain)/Loss for the year on Projected Benefit Obligation | (0.32) | 2.29 |
| | **Expense recognized in the Income Statement** | **(0.32)** | **2.29** |

| vi) | **Principal Actuarial Assumptions** | **As at 31st March 2021** | **As at 31st March 2020** |
|---|---|---|---|
| | i) Discount rate (p.a.) | 6.50% | 6.75% |
| | ii) Future salary increase (p.a.) | 5.00% | 5.00% |
| | | | |
| **vii)** | **Demographic Assumptions** | | |
| | i) Retirement age | 60 Years | 60 Years |
| | ii) Mortality rates inclusive of provision for disability | IALM 2012-14 | IALM 2012-14 |
| | iii) Withdrawal Rate | 10.00% | 10.00% |
| | | | |
| **viii)** | **Expected contributions for the next annual reporting period** | **Year ended 31st March 2021** | **Year ended 31st March 2020** |
| | Expected expense for the next annual reporting period | 3.16 | 3.30 |
| | | | |
| **ix)** | **Sensitivity Analysis of the Defined Benefit Obligation** | | |
| | **Impact of the change in discount rate** | | |
| | Present value of obligation as at the end of the period | **8.13** | **5.83** |
| | Impact due to increase of 1.00% | (0.58) | (0.41) |
| | Impact due to decrease of 1.00% | 0.66 | 0.46 |
| | **Impact of the change in salary increase** | | |
| | Present value of obligation as at the end of the period | **8.13** | **5.83** |
| | Impact due to increase of 1.00% | 0.67 | 0.47 |
| | Impact due to decrease of 1.00% | (0.59) | (0.41) |

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment & life expectancy are not applicable being a lump sum benefit on retirement.

| x) | **Maturity Profile of Defined Benefit Obligation** | **As at 31st March 2020** |
|---|---|---|
| | 01 Apr 2020 to 31 Mar 2021 | 0.11 |
| | 01 Apr 2021 to 31 Mar 2022 | 0.12 |
| | 01 Apr 2022 to 31 Mar 2023 | 0.13 |
| | 01 Apr 2023 to 31 Mar 2024 | 0.19 |
| | 01 Apr 2024 to 31 Mar 2025 | 0.24 |
| | 01 Apr 2025 Onwards | 5.05 |

| | **Maturity Profile of Defined Benefit Obligation** | **As at 31st March 2021** |
|---|---|---|
| | 01 Apr 2021 to 31 Mar 2022 | 0.15 |
| | 01 Apr 2022 to 31 Mar 2023 | 0.20 |
| | 01 Apr 2023 to 31 Mar 2024 | 0.26 |
| | 01 Apr 2024 to 31 Mar 2025 | 0.27 |
| | 01 Apr 2025 to 31 Mar 2026 | 0.26 |
| | 01 Apr 2026 Onwards | 6.99 |

**36. <u>Related Party Transactions</u>**

In accordance with the requirement of IndAS 24 on Related Parties notified under the Companies (Indian Accounting Standards) Rules, 2015, the name of related parties where control exists and / or with whom transactions have taken place during the year and description of relationships, as identified and certified by the Management are:

**a) List of related parties and nature of relationship where control exists:**

| | | |
|---|---|---|
| 1 | Key Managerial Personnel | i. Mr. Mukesh Kacholia (Managing Director)<br>ii. Mr. Ayush Kacholia(Whole Time Director)<br>iii. Mr. Rohan Kacholia(Whole Time Director)<br>iv. Mrs. Sangeeta Kacholia (Non-Executive Director)<br>v. Mrs. Karuna Kacholia (Chief Financial Officer) |
| 2 | Relatives of KMP | i. M/s. Mukesh Kacholia HUF (HUF Of Director)<br>ii. Mrs. Namrata Kacholia (Spouse of Director Mr. Rohan Kacholia) |
| 3 | Entities Where Control Exists | i. M/s. Agri Wing Organics (Directors are Partners) |

**b) Transactions with the related parties for the year ended**

| Particulars | Subsidiary | Key Managerial Personnel | Relatives of KMP | Entities where control exists |
|---|---|---|---|---|
| **31st March 2021** | | | | |
| **Employee Benefit Expenses** | | | | |
| Mr. Mukesh Kacholia | 48.00 | - | - | |
| Mr. Ayush Kacholia | 48.00 | - | - | |
| Mr. Rohan Kacholia | 48.00 | - | - | |
| Mrs. Karuna Kacholia | 15.37 | - | - | |
| Mrs. Namrata Kacholia | - | 12.40 | - | |
| **Professional Fees** | | | | |
| Mrs. Karuna Kacholia | 6.00 | - | - | |
| **Interest Paid** | | | | |
| Mr. Mukesh Kacholia | 6.90 | - | - | |
| Mr. Ayush Kacholia | 0.69 | - | - | |
| Mr. Rohan Kacholia | 0.90 | - | - | |
| **Unsecured Loans Received** | | | | |
| Mr. Mukesh Kacholia | 161.80 | - | - | |
| Mr. Ayush Kacholia | 47.00 | - | - | |
| Mr. Rohan Kacholia | 44.50 | - | - | |
| **Unsecured Loans Repaid** | | | | |
| Mr. Mukesh Kacholia | 95.94 | - | - | |
| Mr. Ayush Kacholia | 21.00 | - | - | |
| Mr. Rohan Kacholia | 24.00 | - | - | |
| **Rent Paid** | | | | |
| Mrs. Sangeeta Kacholia | 5.28 | - | - | |
| **Sales During the Year** | | | | |
| M/s. Agri Wing Organics | - | - | 4.31 | |

| | | | | |
|---|---|---|---|---|
| **31st March 2020** | | | | |
| **Employee Benefit Expenses** | | | | |
| Mr. Mukesh Kacholia | 48.00 | - | - | |
| Mr. Ayush Kacholia | 48.00 | - | - | |
| Mr. Rohan Kacholia | 48.00 | - | - | |
| Mrs. Karuna Kacholia | 15.37 | - | - | |
| Mrs. Namrata Kacholia | - | 12.40 | - | |

| | | | | |
|---|---|---|---|---|
| **Professional Fees** | | | | |
| Mrs. Karuna Kacholia | 6.00 | - | - | |
| **Interest Paid** | | | | |
| Mr. Mukesh Kacholia | 5.45 | - | - | |
| Mr. Ayush Kacholia | 3.06 | - | - | |
| Mr. Rohan Kacholia | 1.93 | - | - | |
| **Unsecured Loans Received** | | | | |
| Mr. Mukesh Kacholia | 124.75 | - | - | |
| Mr. Ayush Kacholia | 77.05 | - | - | |
| Mr. Rohan Kacholia | 43.10 | - | - | |
| **Unsecured Loans Repaid** | | | | |
| Mr. Mukesh Kacholia | 266.55 | - | - | |
| Mr. Ayush Kacholia | 181.43 | - | - | |
| Mr. Rohan Kacholia | 114.30 | - | - | |
| **Advance Received** | | | | |
| M/s. Agri Wing Organics | - | - | 32.30 | |
| **Rent Paid** | | | | |
| Mrs. Sangeeta Kacholia | 5.28 | - | - | |
| Mr. Mukesh Kacholia | 3.20 | - | - | |
| **Purchase During the Year** | | | | |
| M/s. Agri Wing Organics | - | - | 275.53 | |
| **Sales During the Year** | | | | |
| M/s. Agri Wing Organics | - | - | 49.13 | |

**c) Detail of Outstanding Balances are as follows:-**

| **Particulars** | **Key Managerial Personnel** | **Relatives of KMP** | **Entities where control exists** |
|---|---|---|---|
| **As on 31st March 2021** | | | |
| **Unsecured Loans** | | | |
| Mr. Mukesh Kacholia | 77.10 | - | - |
| Mr. Ayush Kacholia | 29.36 | - | - |
| Mr. Rohan Kacholia | 24.05 | - | - |
| **Salary Payable** | | | |
| Mr. Mukesh Kacholia | 0.85 | - | - |
| Mr. Ayush Kacholia | 2.05 | - | - |
| Mr. Rohan Kacholia | 2.00 | - | - |
| Mrs. Namrata Kacholia | - | 0.45 | - |
| **Rent Payable** | | | |
| Mrs. Sangeeta Kacholia | 0.41 | - | - |
| **Professional Fees Payable** | | | |
| Mrs. Karuna Kacholia | 0.46 | - | - |
| **As on 31st March 2020** | | | |
| **Unsecured Loans** | | | |
| Mr. Mukesh Kacholia | 4.86 | - | - |
| Mr. Ayush Kacholia | 2.73 | - | - |
| Mr. Rohan Kacholia | 1.71 | - | - |
| **Advance Received** | | | |
| M/s. Agri Wing Organics | - | - | 32.30 |
| **Salary Payable** | | | |

| | | | |
|---|---|---|---|
| Mr. Mukesh Kacholia | 0.50 | - | - |
| Mr. Ayush Kacholia | 0.75 | - | - |
| Mr. Rohan Kacholia | 0.75 | - | - |
| Mrs. Karuna Kacholia | 1.00 | - | - |
| Mrs. Namrata Kacholia | - | 0.25 | - |
| **As on 1st April 2019** | | | |
| **Unsecured Loans** | | | |
| Mr. Mukesh Kacholia | 141.75 | - | - |
| Mr. Ayush Kacholia | 104.36 | - | - |
| Mr. Rohan Kacholia | 114.30 | - | - |

**37. Financial instruments**

**Fair value measurements**

**Following table shows the carrying amounts and fair values of financial assets and financial liabilities:**

| | As at 31st March 2021 | | As at 31st March 2020 | | As at 1st April 2019 | |
|---|---|---|---|---|---|---|
| | FVTPL | Amortised Cost | FVTPL | Amortised Cost | FVTPL | Amortised Cost |
| **Financial Assets** | | | | | | |
| Trade Receivables | - | 1,419.90 | - | 1,054.40 | - | 2,986.63 |
| Cash and Cash Equivalents | - | 41.46 | - | 15.34 | - | 26.61 |
| Bank balances other than Cash and Cash Equivalents | - | 129.03 | - | 120.95 | - | 113.82 |
| Loans and advances | - | 0.74 | - | 1.44 | - | 1.74 |
| Others | - | 69.72 | - | 60.12 | - | 62.91 |
| **Total** | **-** | **1,660.85** | **-** | **1,252.25** | **-** | **3,191.71** |
| **Current** | **-** | **1,594.42** | **-** | **1,196.14** | **-** | **3,133.09** |
| **Non-Current** | **-** | **66.43** | **-** | **56.11** | **-** | **58.62** |
| **Financial Liabilities** | | | | | | |
| Borrowings | - | 3,203.74 | - | 4,114.00 | - | 5,165.46 |
| Trade Payables | - | 780.49 | - | 276.23 | - | 378.58 |
| Other Financial Liabilities | - | 25.38 | - | 32.64 | - | 37.71 |
| **Total** | **-** | **4,009.61** | **-** | **4,422.87** | **-** | **5,581.75** |
| **Current** | **-** | **2,846.89** | **-** | **3,820.38** | **-** | **4,187.45** |
| **Non-Current** | **-** | **1,162.72** | **-** | **602.49** | **-** | **1,394.30** |

**Fair Value hierarchy**

**The following tables shows the levels in the fair value hierarchy of financial assets and financial liabilities**

| | Fair value Measurement | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **As at 31st March 2021** | | | |
| **Financial Assets** | | | |
| Trade Receivables | - | - | 1,419.90 |
| Cash and Cash Equivalents | - | - | 41.46 |
| Bank balances other than Cash and Cash Equivalents | - | - | 129.03 |
| Loans and advances | - | - | 0.74 |
| Others | - | - | 69.72 |
| **Total** | **-** | **-** | **1,660.85** |

| | | | |
|---|---|---|---|
| **Financial Liabilities** | | | |
| Borrowings | - | - | 3,203.74 |
| Trade Payables | - | - | 780.49 |
| Other Financial Liabilities | - | - | 25.38 |
| **Total** | **-** | **-** | **4,009.61** |
| | | | |
| **As at 31st March 2020** | | | |
| **Financial Assets** | | | |
| Trade Receivables | - | - | 1,054.40 |
| Cash and Cash Equivalents | - | - | 15.34 |
| Bank balances other than Cash and Cash Equivalents | - | - | 120.95 |
| Loans and advances | - | - | 1.44 |
| Others | - | - | 60.12 |
| **Total** | **-** | **-** | **1,252.25** |
| | | | |
| **Financial Liabilities** | | | |
| Borrowings | - | - | 4,114.00 |
| Trade Payables | - | - | 276.23 |
| Other Financial Liabilities | - | - | 32.64 |
| **Total** | **-** | **-** | **4,422.87** |
| | | | |
| **As at 1st April 2019** | | | |
| Financial Assets | | | |
| Trade Receivables | - | - | 2,986.63 |
| Cash and Cash Equivalents | - | - | 26.61 |
| Bank balances other than Cash and Cash Equivalents | - | - | 113.82 |
| Loans and advances | - | - | 1.74 |
| Others | - | - | 62.91 |
| **Total** | **-** | **-** | **3,191.71** |
| | | | |
| **Financial Liabilities** | | | |
| Borrowings | - | - | 5,165.46 |
| Trade Payables | - | - | 378.58 |
| Other Financial Liabilities | - | - | 37.71 |
| **Total** | **-** | **-** | **5,581.75** |

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values of borrowings are based on discounted cash flows using a borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**38. <u>Financial Risk Management Objectives and Policies</u>**

The Group principal financial liabilities comprise borrowings, security deposits, trade and other payables, etc. The main purpose of these financial liabilities is to finance the Group operations. The Group principal financial assets include trade receivable, security deposit, cash and cash equivalents, etc. that derive directly from its operations. The Group also holds investments in the shares of its subsidiary measured at amortised cost.

The Group is exposed to market risk, credit risk and liquidity risk. The management oversees the management of these risks. The management is responsible for formulating an appropriate financial risk governance framework for the Group and periodically reviewing the same. The management ensures that financial risks are identified, measured and managed in accordance with the Group policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

**a) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and Equity price risk.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Group has borrowings, therefore Group is exposed to such risk.

(ii) Foreign Currency Risk

The Indian Rupee is the Group most significant currency. As a consequence, the Group results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. So, the Group is exposed to such risk.

(iii) Equity Price Risk

The Group investment in shares are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the price risk through diversification and by placing limits on individual and total instruments. Reports on the portfolio are submitted to the management on a regular basis.

**b) Credit Risk**

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Consolidated balance sheet

| **Particulars** | **As at 31st March 2021** | **As at 31st March 2020** | **As at 1st April 2019** |
|---|---|---|---|
| Trade receivables | 1,419.90 | 1,054.40 | 2,986.63 |
| Other financial assets | 69.72 | 60.12 | 62.91 |

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk arises mainly from loans, trade receivables and financial assets. The Group maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. None of the trade receivables are credit impaired as on reporting date.

On adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the expected credit loss for trade receivables is not significant.

The carrying amount of financial assets represents the maximum credit exposure. The Group monitors credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

The Group exposure to credit risk for trade receivables are as follows:

| **Particulars** | **As at 31st March 2021** | **As at 31st March 2020** | **As at 1st April 2019** |
|---|---|---|---|
| **Carrying Amount** | | | |
| 1-30 days past due | 574.20 | 362.78 | 1,481.86 |
| 31 to 90 days past due | 763.86 | 396.82 | 1,461.11 |
| More than 90 days past due | 81.84 | 294.80 | 43.65 |
| **Total** | **1,419.90** | **1,054.40** | **2,986.63** |

**c) Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation.

The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 31st March 2021:

| | Carrying amount | Contractual Cash Flows | | | |
|---|---|---|---|---|---|
| | | 0-1 year | 1-5 years | > 5 years | Total |
| Borrowings | 2,820.05 | 2,820.05 | - | - | 2,820.05 |
| Trade Payables | 780.49 | 780.49 | - | - | 780.49 |
| Other Financial Liabilities | 409.07 | 409.07 | - | - | 409.07 |
| **Total** | **4,009.61** | **4,009.61** | **-** | **-** | **4,009.61** |

The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 31st March 2020:

| | Carrying amount | Contractual Cash Flows | | | |
|---|---|---|---|---|---|
| | | 0-1 year | 1-5 years | > 5 years | Total |
| Borrowings | 3,760.47 | 3,158.98 | 601.49 | - | 3,760.47 |
| Trade Payables | 276.23 | 276.23 | 52.07 | - | 328.30 |
| Other Financial Liabilities | 386.17 | 386.17 | - | - | 386.17 |
| **Total** | **4,422.87** | **3,821.38** | **653.57** | **-** | **4,474.945** |

The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 1st April 2019:

| | Carrying amount | Contractual Cash Flows | | | |
|---|---|---|---|---|---|
| | | 0-1 year | 1-5 years | > 5 years | Total |
| Borrowings | 4,674.96 | 3,642.06 | 1,032.90 | - | 4,674.96 |
| Trade Payables | 378.58 | 360.43 | 18.15 | - | 378.58 |
| Other Financial Liabilities | 528.21 | 528.21 | - | - | 528.21 |
| **Total** | **5,581.75** | **4,530.70** | **1,051.05** | **-** | **5,581.75** |

39. **Capital Management**

The management policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The Group management monitor the return on capital employed.

**Company's Gearing ratio**

| | As at 31st March 2021 | As at 31st March 2020 | As at 1st April 2019 |
|---|---|---|---|
| Total Liabilities | 4,140.73 | 4,600.44 | 5,864.51 |
| Less: Cash and Cash Equivalents | 170.49 | 136.29 | 140.43 |
| Net Debt | 3,970.24 | 4,464.15 | 5,724.08 |
| Total Equity | 2,926.23 | 2,917.77 | 2,934.70 |
| **Gearing Ratio** | **1.36** | **1.53** | **1.95** |

**40. Note on First Time Adoption of Ind AS:**

The accounting policies set out in the note here have been applied in preparing the consolidated financial statements for the year ended 31st March, 2021, the comparative information presented in these consolidated financial statements for the year ended 31st March, 2020 and in the preparation of an opening Ind AS balance sheet at 1st April, 2019 [the Group date of transition].

In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in consolidated financial statements prepared in accordance with the accounting standards notified under Companies [Accounting Standards] Rules, 2006 [as amended] and other relevant provisions of the Act [Indian GAAP]. An explanation of how the transition from previous GAAP to Ind AS has affected the Group financial position, financial performance and cash flows is set out in the following notes.

**Exemptions and exceptions availed:**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

**Optional exemptions**

**a. Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment at their Indian GAAP carrying values.

**b. Deemed cost for Investment in Subsidiary**

The Company has elected to continue with the carrying value of its investment in subsidiary recognised as of 1st April 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**Mandatory exceptions**

**c. Estimates**

An entity's estimates in accordance with Ind AS at the date of transition shall be consistent with estimates made for the same date in accordance with Indian GAAP [after adjustments to reflect any difference in accounting policies], unless there is objective evidence that those estimates were in error.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the Consolidated financial statements that were not required under the previous GAAP are listed below:

- Impairment of financial assets based on the expected credit loss model.

- Determination of the discounted value for financial instruments carried at amortised cost.

- Discounted value of long term provisions.

**Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

**Note on Transition to Ind AS - Reconciliations:**

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Equity as at 1st April, 2019

II. A. Reconciliation of Equity as at 31st March, 2020

B. Reconciliation of Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with consolidated financial statements prepared under Ind AS.

**I. Reconciliation of Equity as at 1st April, 2019**

| Sr. No. | Particulars | As at 1st April, 2019 (Date of transition) | | |
|---|---|---|---|---|
| | | I GAAP | Adjustment | IND AS |
| **I.** | **ASSETS** | | | |
| | **Non-Current Assets** | | | |
| | (a) Property, Plant and Equipment | 3,792.48 | - | 3,792.48 |
| | (b) Financial Assets | | | |
| | (i) Others | 58.62 | - | 58.62 |
| | (c) Income Tax Assets (net) | - | - | - |
| | (d) Other Non-Current Assets | 69.22 | - | 69.22 |
| | **Total Non-Current Assets** | **3,920.32** | **-** | **3,920.32** |
| | **Current Assets** | | | |
| | (a) Inventories | 625.61 | - | 625.61 |
| | (b) Financial Assets | | | |
| | (i) Trade Receivables | 2,986.63 | - | 2,986.63 |
| | (ii) Cash and Cash Equivalents | 140.43 | (113.82) | 26.61 |
| | (iii) Bank balances other than (ii) above | - | 113.82 | 113.82 |
| | (iv) Loans and advances | 944.36 | (942.62) | 1.74 |
| | (v) Others | - | 4.29 | 4.29 |
| | (c) Other Current Assets | 336.17 | 784.02 | 1,120.19 |
| | **Total Current Assets** | **5,033.20** | **(154.31)** | **4,878.89** |
| | **Total Assets** | **8,953.52** | **(154.31)** | **8,799.21** |
| **II.** | **EQUITY AND LIABILITIES** | | | |
| | **Equity** | | | |
| | (a) Equity Share Capital | 740.40 | - | 740.40 |
| | (b) Other Equity | 2,194.31 | (0.01) | 2,194.30 |
| | **Total Equity** | **2,934.71** | **(0.01)** | **2,934.70** |
| | **Liabilities** | | | |
| | Non-Current Liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 1,394.30 | - | 1,394.30 |
| | (b) Provisions | 1.13 | (0.35) | 0.78 |
| | (c) Deferred Tax Liabilities (net) | 126.35 | 0.01 | 126.36 |
| | **Total Non-Current Liabilities** | **1,521.78** | **(0.34)** | **1,521.44** |
| | **Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 3,280.66 | - | 3,280.66 |
| | (ii) Trade Payables | 378.58 | - | 378.58 |
| | (iii) Other Financial Liabilities | - | 528.29 | 528.29 |
| | (b) Other Current Liabilities | 503.15 | (490.46) | 12.69 |
| | (c) Provisions | 334.64 | (306.26) | 28.39 |
| | (d) Current Tax Liabilities (Net) | | 114.47 | 114.47 |
| | **Total Current Liabilities** | **4,497.03** | **(153.96)** | **4,343.07** |
| | **Total Equity And Liabilities** | **8,953.52** | **(154.31)** | **8,799.21** |

II. A. Reconciliation of Equity as at 31st March, 2020

| Sr. No. | Particulars | As at 1st April, 2020 (Date of transition) | | |
|---|---|---|---|---|
| | | I GAAP | Adjustment | IND AS |
| **I.** | **ASSETS** | | | |
| | **Non-Current Assets** | | | |
| | (a) Property, Plant and Equipment | 3,397.10 | - | 3,397.10 |
| | (b) Financial Assets | | | |
| | (i) Others | 56.11 | - | 56.11 |
| | (c) Income Tax Assets (net) | - | 68.01 | 68.01 |
| | (d) Other Non-Current Assets | 49.06 | - | 49.06 |
| | **Total Non-Current Assets** | **3,502.27** | **68.01** | **3,570.28** |
| | **Current Assets** | | | |
| | (a) Inventories | 1,528.72 | - | 1,528.72 |
| | (b) Financial Assets | | | |
| | (i) Trade Receivables | 1,054.40 | - | 1,054.40 |
| | (ii) Cash and Cash Equivalents | 136.29 | (120.95) | 15.34 |
| | (iii) Bank balances other than (ii) above | - | 120.95 | 120.95 |
| | (iv) Loans and advances | 1,313.71 | (1,312.27) | 1.44 |
| | (v) Others | - | 4.01 | 4.01 |
| | (c) Other Current Assets | 17.81 | 1,205.26 | 1,223.07 |
| | **Total Current Assets** | **4,050.93** | **(103.00)** | **3,947.93** |
| | **Total Assets** | **7,553.20** | **(34.99)** | **7,518.21** |
| **II.** | **EQUITY AND LIABILITIES** | | | |
| | **Equity** | | | |
| | (a) Equity Share Capital | 1,110.60 | - | 1,110.60 |
| | (b) Other Equity | 1,806.56 | 0.61 | 1,807.17 |
| | **Total Equity** | **2,917.16** | **0.61** | **2,917.77** |
| | **Liabilities** | | | |
| | **Non-Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 602.49 | - | 602.49 |
| | (b) Provisions | 5.83 | (0.11) | 5.72 |
| | (c) Deferred Tax Liabilities (net) | 112.69 | (0.60) | 112.09 |
| | **Total Non-Current Liabilities** | **721.01** | **(0.71)** | **720.30** |
| | **Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 3,157.98 | - | 3,157.98 |
| | (ii) Trade Payables | 276.23 | - | 276.23 |
| | (iii) Other Financial Liabilities | - | 386.17 | 386.17 |
| | (b) Other Current Liabilities | 376.19 | (352.75) | 23.44 |
| | (c) Provisions | 104.63 | (68.31) | 36.32 |
| | (d) Current Tax Liabilities (Net) | - | - | - |
| | **Total Current Liabilities** | **3,915.03** | **(34.89)** | **3,880.14** |
| | | | | |
| | **Total Equity And Liabilities** | **7,553.20** | **(34.99)** | **7,518.21** |

**B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2020**

| Sr. No. | Particulars | Year ended 31st March 2020 | | |
|---|---|---|---|---|
| | | I GAAP | Adjustment | IND AS |
| | **INCOME** | | | |
| | Revenue From Operations | 15,890.40 | - | 15,890.40 |
| | Other Income | 12.22 | - | 12.22 |
| | **Total Income** | **15,902.62** | **-** | **15,902.62** |
| | **EXPENSES** | | | |
| | Cost of Material Consumed | 12,065.20 | - | 12,065.20 |
| | Purchases of Stock-in-Trade | 1,140.99 | - | 1,140.99 |
| | Changes in inventories of finished goods, Stock-in-Trade and work-in-progress | (501.73) | - | (501.73) |
| | Employee Benefit Expenses | 317.23 | (2.29) | 314.94 |
| | Finance Costs | 362.74 | - | 362.74 |
| | Depreciation & Amortization Expense | 539.37 | - | 539.37 |
| | Other Expenses | 1,975.02 | - | 1,975.02 |
| | **Total Expenses** | **15,898.82** | **(2.29)** | **15,896.53** |
| | **Profit before tax** | **3.80** | **2.29** | **6.09** |
| | **Tax Expense** | | | |
| | Current Tax | 35.00 | - | 35.00 |
| | Deferred Tax | (13.66) | - | (13.66) |
| | **Total Tax Expense** | **21.34** | **-** | **21.34** |
| | **Profit for the period** | **(17.54)** | **2.29** | **(15.25)** |
| | **Other Comprehensive Income** | | | |
| | **A) Items that will not be reclassified to profit or loss** | | | |
| | Re-measurement gain on defined benefit plans | - | (2.29) | (2.29) |
| | Income tax relating to re-measurement gain on defined benefit plans | - | 0.61 | 0.61 |
| | **Total Other Comprehensive Income** | **-** | **(1.68)** | **(1.68)** |
| | **Total Comprehensive Income** | **(17.54)** | **0.61** | **(16.93)** |

**Foot Note to the Reconciliations:**

a. **Remeasurement Cost of Net Defined Liability**

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI.

b. **Deferred Tax**

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach {against profit and loss approach in the Indian GAAP) for computation of deferred taxes has resulted in charge to Reserves, on the date of transition, with consequential impact to the Consolidated Statement of Profit and Loss account for the subsequent periods.

c. **Other comprehensive income**

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

d. **Estimates**

The estimates at 1st April 2019 and 31st March 2020 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions on 1st April 2019, the date of transition to Ind AS and as of 31st March 2020.

e. **Reclassification as per requirement of Ind AS**

Reclassification have been done in respective heads as per requirement of Indian Accounting Standards (Ind AS).

**41.** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**42.** Previous year's figures have been regrouped / reclassified, where necessary, to confirm to current year's classification. This does not impact recognition and measurement principles followed for preparation of consolidated financial statements.

**SHANTI OVERSEAS (INDIA) LTD.**

**CIN : L51211MP2011PLC025807**

**SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**(Rs in lakhs, unless stated otherwise)**

43 **Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary**

| | Net assets i.e. total assets minus total liabilities as at 31st March 2021 | | Share in (profit) or loss for the year ended 31st March 2021 | | Share in othercomprehensive income for the year ended 31st March 2021 | | Share in total comprehensive income for the year ended 31st March 2021 | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of total comprehensive income | Amount |
| **Parent** | | | | | | | | |
| Shanti Overseas (India) Ltd. | 103.44% | 3,026.98 | (0.00)% | - | 0.00% | - | (0.00)% | - |
| | | | | | | | | |
| **Subsidiary** | | | | | | | | |
| Shaan Agro Oils & Extractions Private Limited | 12.18% | 356.38 | 0.00% | - | 0.00% | - | 0.00% | - |
| Biograin Protinex Private Limited | 0.03% | 1.00 | 0.00% | - | 0.00% | - | 0.00% | - |
| | | | | | | | | |
| **Consolidation adjustment** | **-(15.66)%** | **(458.13)** | **(100.00)%** | **8.23** | **100.00%** | **0.24** | **(100.00)%** | **8.47** |
| **TOTAL** | **100.00%** | **2,926.23** | **100.00%** | **8.23** | **100.00%** | **0.24** | **100.00%** | **8.47** |

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

**As per our Report of even date annexed**
**For MUCHHAL & GUPTA**
**Chartered Accountants**

| | | |
|---|---|---|
| **Mukesh Kacholia** | **Ayush Kacholia** | **Ramita Otwani** |
| **Managing Director** | **Director** | **Company Secretary** |
| **DIN:00376922** | **DIN:03096933** | **M.No. 28101** |

**Prakash C. Gupta**
**(Partner)**
**M.No.: 073011**
**FRN: 004423C**
**UDIN: 21073011AAAACV1727**

**Date: 30/06/2021**
**Place: Indore**

# 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,<br>SAPNA SANGEETA ROAD, 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/ DP ID: ……………………………………………………………………………...

I/We being the Member(s) of ______________________ equity shares of INR 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 10th Annual General Meeting of the Company, to be held on Thursday, the 30th September, 2021 at 12.30 P.M. at the Registered Office of the Company situated at 215-216, Vikram Tower, Sapna Sangeeta Road, Indore (M.P.) 452001 and at any adjournment(s) thereof, in respect of the Resolutions, as indicated below:

**ORDINARY BUSINESS:-**

1. Adoption of the Audited Financial Statements of the Company on Standalone and Consolidated basis as at 31st March, 2021 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. Re-appointment of Mrs. Sangeeta Kacholia (DIN: 07817342) as a Director, who is liable to retire by rotation and, being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS:-**

3. Re-appointment of Mr. Rohan Kacholia (DIN:03623354) as a Whole-time Director of the Company.
4. Re-appointment of Mr. Vijay Nichani (DIN:03136935) as Non-Executive Independent Director.
5. Regularization of appointment of Mrs. Pooja Chordia (DIN: 09196546) as Non-Executive Independent Director.
6. Regularization of appointment of Mrs. Shribala Mandhanya (DIN: 09198012) as Non- Executive Independent Director.

Signed: this ________________ day of ____________ 2021

**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,<br>SAPNA SANGEETA ROAD, 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.<br>(*Applicable to investors holding shares in dematerialized form) | |
| 4. | Class of Share | Equity Share of INR 10/- |

I hereby exercise my vote in respect of Ordinary/ Special Resolution/s enumerated below by recording my assent or dissent to the said resolutions 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 31st March, 2021 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. | Re-appointment of Mrs. Sangeeta Kacholia (DIN: 07817342) as a Director, who is liable to retire by rotation and, being eligible, offers herself for re-appointment | | | |
| **SPECIAL BUSINESS:-** | | | | |
| 3. | Re-appointment of Mr. Rohan Kacholia (DIN: 03623354) as a Whole-time Director of the Company. | | | |
| 4. | Re-appointment of Mr. Vijay Nichani (DIN: 03136935) as Non-Executive Independent Director. | | | |
| 5. | Regularization of appointment of Mrs. Pooja Chordia (DIN: 09196546) as Non-Executive Independent Director. | | | |
| 6. | Regularization of appointment of Mrs. Shribala Mandhanya (DIN: 09198012) as Non-Executive Independent Director. | | | |

**Place:**

**Date: (Signature of the shareholder)**

**SHANTI OVERSEAS (INDIA) LIMITED**
**CIN: L51211MP2011PLC025807**
**Regd. Office: 215-216,VIKRAM TOWER, 1ST FLOOR, SAPNA SANGEETA ROAD, INDORE (MP) 452001**

## ATTENDANCE SLIP

**10th Annual General Meeting of Shanti Overseas (India) Limited held on Thursday, 30th September, 2021 at 12.30 P.M. at the Registered Office of the Company situated at 215-216, Vikram Tower, Sapna Sangeeta Road, Indore (M.P.) 452001**

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 10th Annual General Meeting of the Company i.e. Shanti Overseas (India) Limited held on Thursday, 30th September , 2021 at 12.30 P.M. at the Registered Office of the Company situated at 215-216, Vikram Tower, Sapna Sangeeta Road, Indore (M.P.) 452001.

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

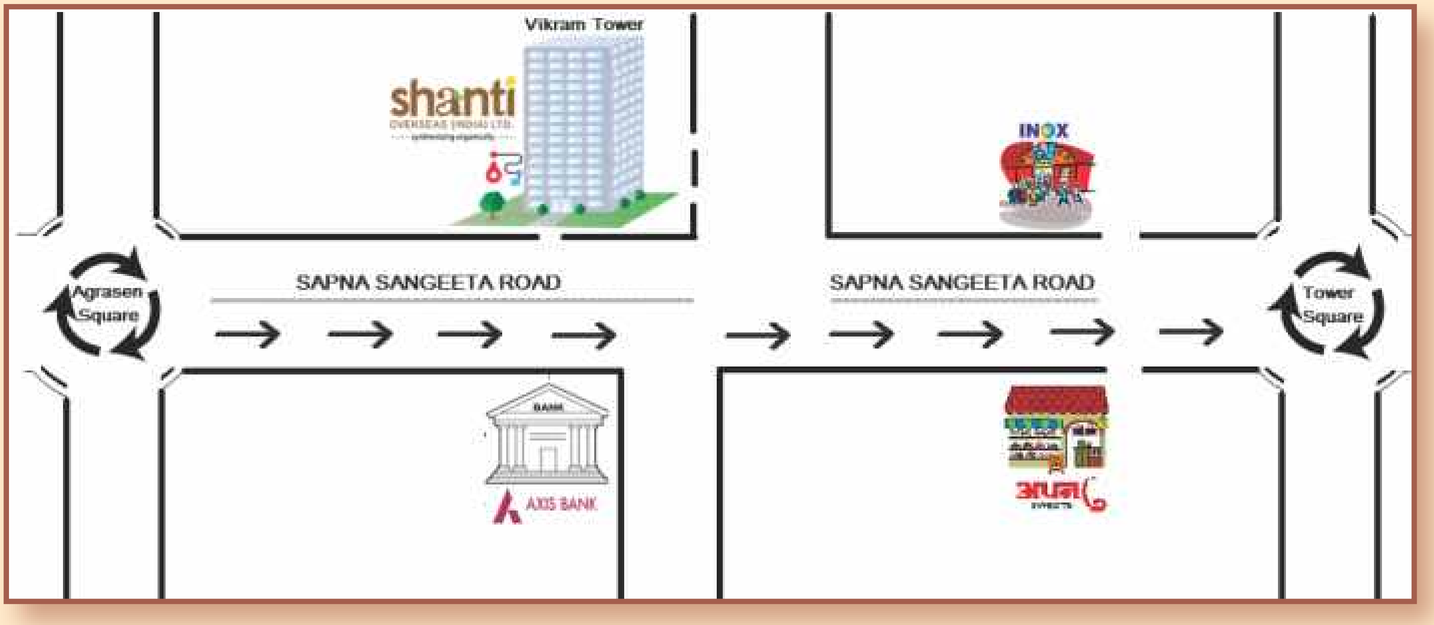
………………………………………………………………………………

**(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

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

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OVERSEAS (INDIA) LTD.
synthesizing organically

Balaji : 94251-72227

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