

**35TH
ANNUAL REPORT
2019-20**

SHANTAI INDUSTRIES LIMITED
(Formerly Known as Wheel and Axle Textiles Limited)

CORPORATE INFORMATION

BOARD OF DIRECTORS

- ❖ **Harish F. Sawlani**
-Chairman & Managing Director
- ❖ **Vasudev F. Sawlani**
-Managing Director
- ❖ **Kirankumar N. Doshi**
-Independent Director
- ❖ **Omprakash V. Lakhwani**
-Independent Director
- ❖ **Reena H. Sawlani**
-Non Executive Director

KEY MANAGERIAL PERSONALS

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

AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

LISTED AT

- ❖ BSE Ltd.

REGISTRAR AND SHARE TRANSFER AGENT

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

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NOTICE

Notice is hereby given that the 35th Annual General Meeting of Members of **SHANTAI INDUSTRIES LIMITED (Formerly Known as Wheel and Axle Textiles Limited) (CIN: L74110GJ1988PLC013255)** will be held at office of the Company at 435, Sawlani Silk Mills Compound, G.I.D.C. Pandesara, Surat 394221 on **Saturday, 26th September, 2020 at 04.00 P.M.** to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted

2. To appoint a Director in place of Shri Vasudev Fatandas Sawlani (DIN: 00831830), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an **Ordinary Resolution**:

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

SPECIAL BUSINESS

3. To appoint Smt. Vandanaben Satishbhai Dalal (DIN: 08779138) as Independent Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Smt. Vandanaben Satishbhai Dalal (DIN: 08779138) be and is hereby appointed as Independent Director of the company, not liable to retire by rotation and to hold office for a term of 5 (Five) consecutive years on the Board of the Company.

4. To re-appoint Shri Vasudev Fatandas Sawlani (DIN: 00831830) as Managing Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of Companies Act, 2013, the members of the Company hereby re-appoint Shri Vasudev Fatandas Sawlani (whose term of appointment as Managing Director expires on 03/11/2020) as Managing Director with effect from 04/11/2020 for five years at a Remuneration within the limits set out in Part -II of Schedule V of The Companies Act, 2013 and perquisites within the limits set out in section IV of Part- II of Schedule V of The Companies Act, 2013.

RESOLVED FURTHER THAT where in any financial year during the currency of tenure of the Managing Director the Company has no profits or its profits are inadequate, Shri Vasudev Fatandas Sawlani shall be entitled to receive above remuneration including perquisites as minimum remuneration in accordance with the provision of Section 197 read with Schedule V to Companies Act, 2013 or as may be applicable from time to time.

RESOLVED FURTHER THAT the terms and conditions of the appointment may be altered and varied from time to time by the Committee approved by the Board as it may in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with Schedule V to the Companies Act 2013, other relevant provision of the Companies Act, 2013 as may be applicable from time to time.

SHANTAI INDUSTRIES LIMITED

5. To re-appoint Shri Harishbhai Fatandas Sawlani (DIN: 00831848) as Managing Director and in this regard, pass the following resolution as an Ordinary Resolution:

RESOLVED THAT in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of Companies Act, 2013, the members of the Company hereby re-appoint Shri Harishbhai Fatandas Sawlani (whose term of appointment as Managing Director expires on 03/11/2020) as Managing Director with effect from 04/11/2020 for five years at a Remuneration within the limits set out in Part -II of Schedule V of The Companies Act, 2013 and perquisites within the limits set out in section IV of Part- II of Schedule V of The Companies Act, 2013.

RESOLVED FURTHER THAT where in any financial year during the currency of tenure of the Managing Director the Company has no profits or its profits are inadequate, Shri Harishbhai Fatandas Sawlani shall be entitled to receive above remuneration including perquisites as minimum remuneration in accordance with the provision of Section 197 read with Schedule V to Companies Act, 2013 or as may be applicable from time to time.

RESOLVED FURTHER THAT the terms and conditions of the appointment may be altered and varied from time to time by the Committee approved by the Board as it may in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with Schedule V to the Companies Act 2013, other relevant provision of the Companies Act, 2013 as may be applicable form time to time.

By Order of the Board
For Shantai Industries Limited

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

Chairman and Managing Director

Place : Surat

Date : 28/08/2020

Notes:

1. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under item no. 3 to 5 of the accompanying notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

In order that the appointment of a proxy is effective, the instrument appointing a proxy must be received at the registered office of the company not later than forty-eight hours before the commencement of the meeting.

3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A Member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.
4. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant board resolution together with the representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
5. In case of joint holders attending the meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.
6. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Company's registered office on all working days of the Company, during business hours up to the date of the meeting.

7. The Register of Members and Share Transfer Books of the company will be closed from 19TH September, 2020 to 26th September, 2020 both days inclusive.

8. Members are requested to send all communications relating to shares to the Registrar & Share Transfer Agent of the Company at the following address:

MCS Share Transfer Agent Ltd.

10, Aaram Apartment, 12, Sampatrao Colony,
Alkapuri, Vadodara 390007

The members holding shares in electronic/ demat form, are required to furnish details of change of address and change in the Bank Accounts, etc. to the respective Depository Participants (DPs)

9. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

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

a. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended from time to time and sub clause (1) & (2) of clause 44 SEBI (LODR) Regulations, 2015, the Company is pleased to provide members' facility to exercise their right to vote at the 35TH Annual General Meeting ("AGM") by electronic means and the business may be transacted through e-voting services provided by CDSL. It may be noted that this e-voting facility is optional. In order to facilitate those Members, who do not wish to use the e-voting facility, the company is enclosing a Ballot form, resolution passed by members through e-voting or ballot forms are deemed to have been passed as if they have been passed at Annual General Meeting (AGM).

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

Commencement of e-voting: From 9.00 a.m. on Wednesday, 23rd September, 2020 to 5.00 p.m. on Friday, 25th September, 2020.

b. E-voting shall not be allowed beyond 5.00 p.m. on Friday, 25th September, 2020. During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Friday, 18th September, 2020 may cast their vote electronically.

c. Members can opt for only one mode of voting i.e. either by Ballot Form or e-voting. In case members cast their votes through both modes, voting done by e-voting shall prevail and vote casted through Ballot Form shall be treated as invalid.

d. In case a member is desirous of obtaining a duplicate Ballot Form, he/she may send an e-mail to shantaiindustriesltd@gmail.com by mentioning their Folio No. / DP ID and Client ID No. However the duly completed Ballot Form Should reaches the scrutinizer, Mr. Kunjal Dalal C/o Shantai Industries Limited, 820, Golden Point, Nr Telephone Exchange Begampura, Falsawadi, Ring Road, Surat 395003 not later than Friday, 25th September, 2020 (5:00 p.m.) Ballot Forms received after this date will be treated as invalid.

e. The members who have casted their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

f. The Company has appointed Mr. Kunjal Dalal, Proprietor K. Dalal & Co., Practicing Company Secretaries, as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

SHANTAI INDUSTRIES LIMITED

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 9.00 a.m. on Wednesday, 23rd September, 2020 to 5.00 p.m. on Friday, 25th September, 2020. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 18th September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Shantai Industries Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board
For Shantai Industries Limited

Sd/-

Harishbhai F. Sawlani

(DIN: 00831848)

Chairman and Managing Director

Place : Surat

Date : 28/08/2020

Explanatory Statement pursuant to section 102(1) of The Companies Act, 2013:-

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, setting out all material facts relating to the business at Item No. 3 to 5 of the accompanying notice dated 28th August, 2020.

For Item No. 3

Smt. Vandanaben Satishbhai Dalal is proposed to be appointed in the category of Non - Executive / Independent director for a period of five years. The details of directors to be appointed including details of Smt. Vandanaben Satishbhai Dalal is given separately along with the notice. The appointment of Smt. Vandanaben Satishbhai Dalal shall be subject to getting her registration as Independent Director.

The board of directors recommends the Ordinary Resolution set out in Item No. 3 of the accompanying notice for approval by the members.

None of the Directors or Key Managerial Personnel and their relatives except the appointee director, is in any way concerned or interested in the Resolution.

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For Item 4 and 5

Item no. 4 and 5 deals with re-appointment of Shri Vasudev Fatandas Sawlani and Shri Harishbhai Fatandas Sawlani as Managing Director of the Company. As they are actively engaged in management of company and have vast experience in business management. They have been contributing in the development of the company and it shall be in interest of the company to continue to avail their services and re-appoint them as Managing Director of the company. Their term to act as Managing Directors expires as 03/11/2020, hence it is proposed to appoint them for a second term of five years from 04/11/2020 to 03/11/2025.

The remuneration and perquisites payable to them shall be within limits set out under provision of section 196, 197 and Schedule V of The Companies Act, 2013.

The board of directors recommends the Resolution set out in Item No. 4 and 5 of the accompanying notice for approval by the members.

None of the Directors or Key Managerial Personnel and their relatives except the appointee directors and Smt. Reena Sawlani, the relative of directors being appointed is in any way concerned or interested in the Resolutions.

By Order of the Board
For Shantai Industries Limited

Sd/-

Harishbhai F. Sawlani

(DIN: 00831848)

Chairman and Managing Director

Place : Surat

Date : 28/08/2020

Information in respect of appointment / re-appointment of director at Annual General Meeting Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015			
Name of director	Mr. Vasudev Fatandas Sawlani	Mr. Harishbhai Fatandas Sawlani	Smt. Vandanaben Satishbhai Dalal
Age	62 Years	60 Years	50 Years
Qualifications	12 th	D. Tex.	B.Com., LLB
Experience	33 Years	33 Years	20 Years
Nature of Expertise	Administration	Administration	Law
Inter-se Relationship	Brother of another Managing Director Shri Harishbhai Fatandas Sawlani.	Brother of another Managing Director Shri Vasudev Fatandas Sawlani.	Not Applicable
Name of the listed entity in which person holds directorship and membership of committee of board	Nil	Nil	Nil
Shareholding of non- executive directors	Not Applicable	Not Applicable	Nil

BOARD OF DIRECTOR'S REPORT

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

Your directors present Annual report on the business and operations of the company to gather with Audited Statement of Accounts of the company for the year ending 31st March 2020.

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

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

The extract of Annual Return is in format MGT-9 for the financial year ended 31/03/2020 and is enclosed as "Annexure A" with this report.

b) Number of meetings of the Board:

During the year 2019-20, 5 meetings of Board of Directors were held.

c) Director's Responsibility Statements:

The director's state that:

- i) In the preparation of annual accounts for the financial year ended 31st March 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2020.
- iii) and of the profit/loss of the company for that period;
- iv) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- v) The director had prepared the annual accounts on a going concern basis;
- vi) The director had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vii) The director had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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

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

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

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of director and key managerial personal and their remuneration. The policy is disclosed at "Annexure B" in pursuance of provision to section 178(3) of the companies Act 2013.

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

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

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

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

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

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

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

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

FORM AOC-2

Material related party Transactions

I. Details of contract or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2020 which were not at arm's length basis

II. Details of material contracts or arrangements or transactions at arm's length basis:

The details of material contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2020 are as follows.

Sr. No.	Name of the Related Party	Nature of Transaction	Duration	Salient Terms	Amount
01	Murlibhai F Sawlani	Salary	Ongoing	On arm's length basis in ordinary course of business	21,00,000/-
02	Sawlani Silk Mills	Rent			60,000/-
03	Shantai Technologies Limited	Rent			60,000/-
04	Shantai Technologies Limited	Expense reimbursement			10,794/-
05	Shantai Exim Limited	Purchase from Associates			7,65,388/-

i) The state of Company's affairs

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

The income from operations for the year has decreased from Rs. 12,82,57,275/- in the year 2018-19 to Rs. 10,92,49,767/- in the year 2019-20. The company has incurred loss of Rs. 967399/- against profit of Rs. 2,21,62,479/- in the Previous Financial year.