



Veritas [India] Limited

36TH ANNUAL REPORT 2020-2021

www.veritasindia.net

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CORPORATE INFORMATION

<p><u>BOARD OF DIRECTORS</u></p> <p>Mr. Nitinkumar Didwania Chairman & Non-Executive Director</p> <p>Mr. Praveen Bhatnagar Whole-Time Director</p> <p>Mr. Kunal Sharma Non-Executive Director</p> <p>Ms. Kamala Aithal Independent Director</p> <p>Ms. Purvi Matani Independent Director</p> <p>Mr. Vijay Shah Independent Director</p> <p><u>Chief Financial Officer</u> Mr. Rajaram Shanbhag</p> <p><u>Vice President -Legal and Company Secretary</u> Mr. Prasad A Oak</p>	<p><u>Registered Office</u> CIN: L23209MH1985PLC035702 Veritas House, 3rd Floor, Mint Road, Fort, Mumbai – 400 001, Maharashtra Tel. no.: 022- 2275 5555 / 6184 0000 Fax no.: 022-2275 5556 / 6184 0001 E-mail: corp@veritasindia.net</p> <p><u>Goods and Service Tax Number (GSTN)</u> 27AAACD1654J1ZQ</p> <p><u>Registrars & Share Transfer Agents</u> Universal Capital Securities Pvt. Ltd. (Registrar & Share Transfer Agent) C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083. Tel Nos: (022) 28207203-05 Fax No.: (022) 28207207 Email id: info@unisec.in</p> <p><u>Statutory Auditors</u> M/s. M. P. Chitale & Co., Chartered Accountants</p> <p><u>Secretarial Auditor</u> M/s JMJA & Associates LLP Company Secretaries</p> <p><u>Bankers</u> Axis Bank Limited</p>
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DIRECTORS' REPORT

To
The Members of Veritas (India) Limited,

Your Board of Directors ("Board") is pleased to present the 36th Annual Report on the business and operations of the Veritas (India) Limited ("Company") along with the audited accounts for the financial year ended 31st March, 2021.

FINANCIAL HIGHLIGHTS

The Company follows Indian Accounting Standards (IND AS), the financial performance of your company for the financial year ended 31st March, 2021 is summarized below:

Particulars	Standalone		(Amount in Rs.) Consolidated	
	2020-2021	2019-2020	2020-2021	2019-2020
Revenue from operations (including other income)	4,31,26,88,856	549,62,70,370	18,80,52,77,729	2086,55,12,374
Profit before tax	8,23,53,498	8,62,47,629	17,69,62,54,478	122,42,88,664
Less: Provision for Taxation	-	-	-	-
Current Tax	1,89,20,013	2,13,87,438	1,89,32,212	21387,438
Deferred Tax	36,84,744	(1,49,69,247)	36,84,744	(1,49,69,247)
MAT Credit	(80,12,142)	(74,51,075)	(80,12,142)	0
Current Tax Expenses related to prior Years	-	24,52,665	-	24,52,665
Profit after Tax for the current year	6,77,60,883	8,48,27,849	1,09,44,18,437	1,22,28,68,884
Add: Balance in Profit & Loss Account brought forward	73,24,88,875	65,64,52,602	4,72,55,71,380	351,14,94,071
Add: Credit for Tax on Dividend	0	0	0	0
Add: Transfer to Capital Work-in-progress	0	0	0	0
Add: Transfer from Capital Reserves	0	0	0	0
Profit available for Appropriation	0	0	0	0
Less:				
- Proposed Dividend	(13,40,500)	(13,40,500)	(13,40,500)	(13,40,500)
- Dividend Distribution Tax	2,72,926	2,72,926	2,72,926	2,72,926

Balance transferred to Balance Sheet	73,24,88,875	65,64,52,602	4,72,55,71,380	351,14,94,071
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RESULTS FROM OPERATION: :

The standalone and Consolidated Financial Statements of the Company for the Financial Year 2020-21 have been prepared in accordance with the Indian Accounting Standards (Ind AS) as required under the Companies Act, 2013.

Following are the comparative figures of the operations of the Company for the financial year ended 31st March, 2021 vis-à-vis previous year ended 31st March, 2020:

Revenue- Standalone

Standalone revenue from operations is Rs. 4,22,85,46,857 as compared to previous year's revenue of Rs. 542,69,89,856/-.

Revenue- Consolidated

Consolidated revenue from operations increased to Rs. 18,76,26,76,147 as compared to previous year's revenue of Rs. 20,36,84,61,503/-

Profit Standalone

Standalone Profit after Tax is Rs. 6,77,60,883/- as compared to previous year's profit after tax of Rs. 848,27,848/-.

Profit Consolidated

Consolidated Profit after Tax is Rs.1,09,44,18,437/- as compared to previous year's profit after tax of Rs. 122,28,68,884/-

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

During the year under review, there were no material changes and/or commitments affecting the financial position of the company and also between the end of the financial year and the date of this report.

DIVIDEND

Your Board is pleased to recommend a dividend of Rs. 0.05/- (Five paise) per Equity Share of the face value of Re. 1/- (Rupee One only) each for the financial year ended 31st March, 2021 aggregating to about Rs. 13,40,500 /- (Rupees Thirteen Lakhs Forty Thousand Five Hundred Only) payable to the shareholders whose names appear in the Register of Members as on the Book Closure date. The Dividend is payable subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company.

TRANSFER TO RESERVES

During the Financial year 2020-2021, your company has not transferred any amount to General Reserves.

FINANCIAL STATEMENT

The financial statements of your Company for the year ended March 31, 2021 are prepared in accordance with the Indian Accounting Standards ("IND AS"), read with the provisions of Section 129 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") rules framed thereunder and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations") and forms part of this Annual Report.

The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2021.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements of the Company and its subsidiaries for the financial year ended 31st March, 2021 are prepared in accordance with the Companies Act, 2013 and provisions of Indian Accounting Standards (Ind AS) as applicable along with all relevant documents and the Statutory Auditors' Report forms part of this Annual Report.

The detailed Financial Statements as stated above are also available on the website of the Company and can be accessed at the web link: http://www.veritasindia.net/annual_reports.asp

SUBSIDIARY, ASSOCIATE AND JOINT VENTURES COMPANIES

As on 31st March 2021, your company has 6 (Six) subsidiaries' including step-down subsidiary operating within India and overseas subsidiaries as listed below:

Domestic Subsidiaries (Incorporated in India):

1. Veritas Infra & Logistics Private Limited, Wholly Owned Subsidiary (WOS)
2. Veritas Agro Ventures Private Limited, Wholly Owned Subsidiary (WOS)
3. Veritas Polychem Private Limited, Wholly Owned Subsidiary (WOS)

Company is in the process of closing its subsidiary, GV Offshore Private Limited, incorporated in India, which is a dormant company.

A new wholly-owned subsidiary of the Company, **Veritas Petro Industries Private Limited** was incorporated w.e.f. 04th May, 2021.

International Subsidiaries:

1. Veritas International FZE, (Wholly Owned Subsidiary incorporated in Dubai, UAE)

2. Verasco FZE (Formerly known Hazel International FZE), (Wholly Owned Subsidiary incorporated in Sharjah UAE)
3. Veritas Global PTE Limited, (Wholly Owned Subsidiary incorporated in Singapore)

During the financial year ended 31st March, 2021, the Board of Directors reviewed the affairs of Company's subsidiaries as mentioned above. Pursuant to Section 129(3) of the Companies Act, 2013 and new IND AS (Accounting Standards) issued by the Institute of Chartered Accountant of India, Consolidated Financial Statement presented by the Company includes the financial statements of its subsidiaries.

A separate statement containing the salient features of the financial performance of subsidiaries in the prescribed Form AOC-1 is annexed to the financial statements of the Company. The Audited Consolidated financial statements together with Auditors' Report form an integral part of the Annual Report.

In terms of provisions of Section 136 of the Companies Act, 2013, the Company shall place separately audited/unaudited accounts of each of its subsidiaries on its website at www.veritasindia.net and the same shall be available for inspection by the Members at the registered office of the Company during the business hours on all working days between 10.30 A.M. to 5.30 P.M. except Saturdays and Sundays up to the date of ensuing AGM. Any members interested for obtaining a copy of the said financial statements shall write to the Investor Relations Department at the Registered Office of the company.

Your Company has approved a policy for determining material subsidiaries and the same is uploaded on the Company's website which can be accessed using the link [http://www.veritasindia.net/pdf/VIL-Material Subsidiary Policy-New.pdf](http://www.veritasindia.net/pdf/VIL-Material%20Subsidiary%20Policy-New.pdf)

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

A detailed review of the operations, performance and future outlook of your Company, Subsidiaries and its Business are given in the Management Discussion and Analysis, as required under the SEBI Listing Regulations, which is provided in separate section and forms integral part of this Report.

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. Such controls have been assessed during the year under review taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India. Based on the results of such assessments carried out by Management, no reportable material weakness or significant deficiency in the design or operation of internal financial controls was observed. Nevertheless, your Company recognizes that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

PARTICULARS OF CONTRACTS OR AGREEMENTS ENTERED INTO WITH RELATED PARTIES

During the year under review, your Company has entered into transactions with the related parties as defined under Section 2(76) of the Companies Act, 2013 read with the Rules made there under and the

Listing Regulations. All related party transactions are in the ordinary course of business and are on arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 was not required. Details of transactions made are disclosed in financial statements. All related party transactions are presented to the Audit Committee and the Board. Omnibus approval was obtained for the transactions which are foreseen and repetitive in nature.

In line with the provisions of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, your Company has formulated a policy on Materiality of Related Party Transaction and on dealing with related party transactions duly approved by the Board and is uploaded on the website of the Company and can be accessed at:

http://www.veritasindia.net/pdf/VIL_Policy/Related-Party-Transaction-&-the-manner-of-dealing-with-Related-Party-Transaction.pdf

The details of the transactions with related parties and the status of outstanding balances as per Accounting Standard 18 are set out in **Note no. 38** to the Standalone Financial Statements forming part of this report.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITOR'S REPORT

The reports given by the M/s. M. P. Chitale & Co., Statutory Auditors of the Company on standalone and consolidated financial statements of the Company forms part of the Annual Report. There are no qualifications, reservations, adverse remarks or disclaimers given by the Statutory Auditors in their reports. The notes on financial statements referred to in the Statutory Auditors' Report are self-explanatory and do not call for any further comments.

SECRETARIAL AUDIT REPORT

The Board has appointed M/s. JMJA & Associates LLP, Practising Company Secretaries to undertake secretarial audit of the company pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report for the financial year ended 31st March, 2021 as submitted by them is annexed as **Annexure II** and forms part of this Report.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

SECRETARIAL STANDARDS

To the best of our understanding and knowledge, it is hereby confirmed that during the year under review, your Company has complied with applicable Secretarial Standards i.e. SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITY PROVIDED

The details of Loans and Investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, for the Financial Year Ended 2020-21 are given in the Standalone Financial Statements. (Note No. 37 to the Standalone Financial Statements)

PUBLIC DEPOSIT

During the year under review, your Company did not invite or accept any Deposits covered under Chapter V of the Companies Act, 2013 ("Act"). There were no outstanding deposits within the meaning of Sections 73 and 74 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014, at the end of the year under review.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures with regards to the particulars of Directors, KMPs and employees who are in receipt of remuneration in excess of the limits as prescribed under the provisions of Section 197(12) of the Act read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended till date as may be applicable are available and the Statement containing the details of employee remuneration as required under Section 197 of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection at the registered office of the Company during business hours from 21 days before the Annual General Meeting and any Member willing to obtain copy of the said statement can write to the Investor Relations Department at the Registered office address of the company (Annexure V). In terms of Section 136(1) of the Companies Act, 2013, the Annual Report is being sent to the Members excluding the information on particulars of employees.

BOARD AND COMMITTEES

DIRECTORS AND KEY MANAGERIAL PERSONS

During the year under review, the following changes occurred, in the composition of the Board and the Key Managerial Personnel of your Company:

Based on recommendation of the Nomination and Remuneration Committee, the Board appointed Mr. Kunal Sharma (DIN: 03553398) as an Additional Director (Non-executive) of the Company w.e.f. 4th September, 2020.

Key Managerial Personnel

The following personnel have been designated as Key Managerial Personnel (KMP) of the Company pursuant to Section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- | | |
|--------------------------|--|
| a) Mr. Praveen Bhatnagar | Whole-time Director |
| b) Mr. Rajaram Shanbhag | Chief Financial Officer |
| c) Mr. Prasad A Oak | Vice President Legal and Company Secretary |

Except as mentioned above, there has been no change in the composition of Board and Key Managerial Personnel of the Company, during the year under review.

DECLARATION BY THE INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Schedule IV and the relevant rules made there under and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as an independent director during the year.

RETIREMENT BY ROTATION

In accordance with the Section 152, other applicable provisions of the Companies Act, 2013 and in terms of Memorandum and Article of Association of the Company, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM.

Mr. Praveen Bhatnagar (DIN: 01193544) Whole-time Director, retires by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and the Rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out a formal Annual evaluation of its own performance of its Committees, the Chairman as well as performance of the Directors individually.

The evaluation was done by the way of a structured questionnaires covering various aspects of the Board functioning, amongst others vision, strategy & role clarity of the Board, Board dynamics & processes, contribution towards development of the strategy, risk management, budgetary controls, receipt of regular inputs and information, functioning, performance & structure of Board Committees, ethics & values, skill set, knowledge & expertise of Directors, leadership etc.