

**NOTICE**

Notice is hereby given that the Seventeenth Annual General Meeting of the Company will be held on **Friday, July 28, 2017 at 11.30 A.M.** at the Registered Office of the Company at **1076, Dr. E. Moses Road, Worli, Mumbai -400018**, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended March 31, 2017 together with the Report(s) of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Jaya Somani (DIN: 00122072), who retires by rotation and being eligible, offer herself for re-appointment as Director.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Batliboi & Purohit, Chartered Accountants (FRN No. 101048W), from whom the Company has received eligibility letter be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office for a period of 5 years i.e. from the conclusion of this Annual General Meeting of the Company till the conclusion of Annual General Meeting to be held for the Financial year 2021-22 (subject to ratification of their appointment at every AGM) at such remuneration as may be fixed by the Board of Directors of the Company."

By Order of the Board  
For Shinrai Auto Services Limited



**Paritosh Jain**  
Company Secretary  
(Membership No. A44448)

Date: May 27, 2017  
Place: Mumbai

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**Shinrai Auto Services Ltd.**

**Registered Office** : 1076, Dr. E. Moses Road, Near Shah & Nahar Industrial Estate, Worli Naka, Mumbai - 400 018.  
Tel. : 022 2376 7500 \* Fax : 022 6670 1598 \* E-mail : accountsworli@uslshinrai.com

**Administrative Office** : Unit No. 2&3, Gr. Flr, Prathamesh Bldg., Raghuvanshi Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013.  
Tel. : 022 6613 1500 \* Fax : 022 6613 1598 E-mail sales@uslshinrai.com

**Nariman Point** : CR2 Mall, Barrister Rajni Patel Marg, Nariman Point, Mumbai - 400 021. Phone : 022 - 6670 1500  
Fax : 022 - 6670 1598, E-mail : salesnp@uslshinrai.com

**Reay Road** : c/o Reay Road Iron & Metal Warehousing Pvt. Ltd., Magazine Street, Darukhana, Near Reay Road Station & Britannia Industries, Mazgaon, Mumbai - 400 010. \* Tel.: 022 - 2378 8603 \* Email : service@uslshinrai.com

**Cotton Green** : Tulsi Enterprises Building, Veer Shrikant Hadkar Marg, Cotton Green (West), Near Cotton Green Station, Mumbai - 400 033.  
Tel.: 022-2472 1500 \* E-mail : service@uslshinrai.com

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the company carrying voting rights. A member holding more than 10% (ten percent) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

The instrument of proxy in order to be effective should be deposited at the registered office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the Meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Company(ies), Societies, etc must be supported by an appropriate resolution or authority as applicable.

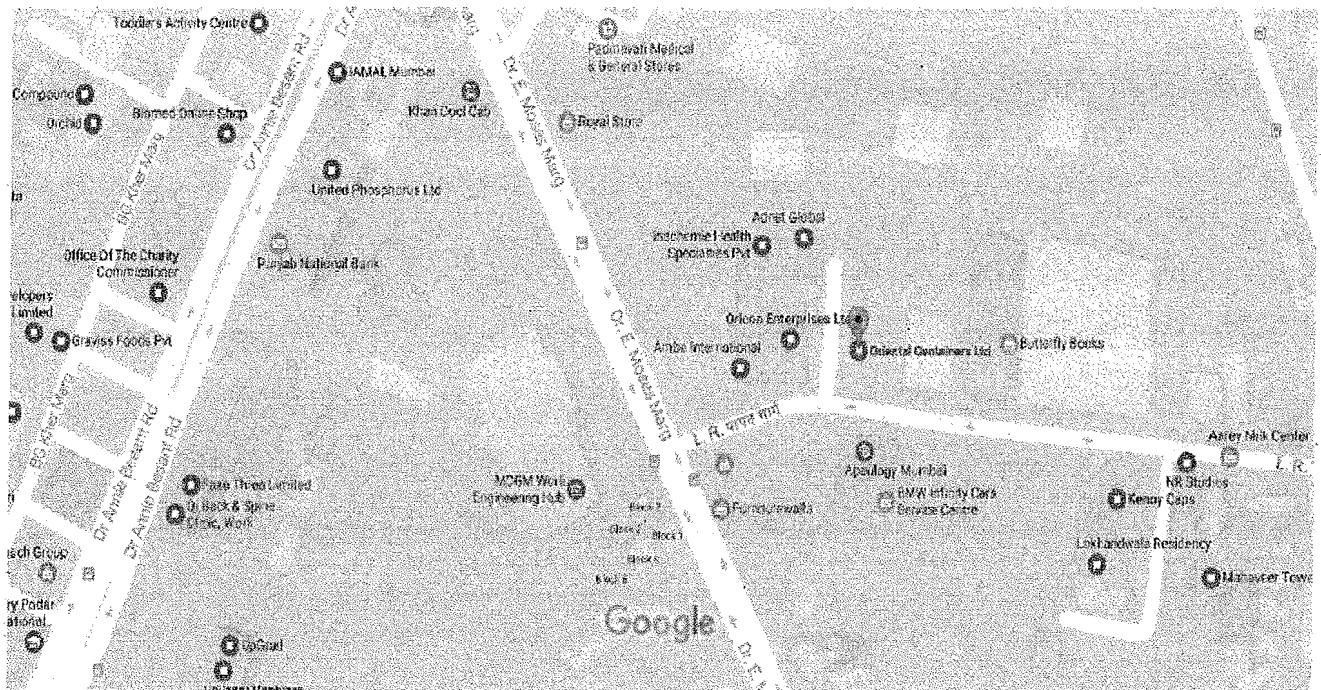
2. Members are requested to intimate change in their address, if any, to the Company.
3. Brief profile of the Directors proposed to be re-appointed (Item no. 2) is annexed and forms part of Notice of Annual General Meeting.
4. The Map of the venue of the Annual General Meeting is given below.

## ROUTE MAP TO THE VENUE OF 17<sup>TH</sup> ANNUAL GENERAL MEETING

### Venue:



**Shinrai Auto Services Limited, 1076, Dr. E. Moses Road, Worli, Mumbai - 400018**



**Annexure to Notice (Item No. 2)**

**Brief particulars of the Director seeking re-appointment**

Name of the Director	Mrs. Jaya Somani
Age	44
Date of Birth	6 <sup>th</sup> December, 1972
Qualifications	B.Com
Nationality	Indian
Terms and conditions of appointment / re-appointment	Mrs. Jaya Somani, Non- Executive Director, retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer herself for re-appointment as Director.
Details of remuneration sought to be paid	NA
Details of remuneration last drawn	NA
Date of first appointment on the Board	19 <sup>th</sup> March, 2015
Shareholding in the Company	NIL
Number of board meetings attended during the year	6
List of Directorships held in other Companies	Himalaya Builders Private Limited
Committee membership	NIL
Relationship with Directors, Managers or other KMPs	Jaya Somani is Daughter in Law of Mr. Susheel Somani, Director of the Company.
Nature of Expertise or experience	5 years of experience in field of Administration and General Management.

By Order of the Board

For **Shinrai Auto Services Limited**

  
Paritosh Jain

Company Secretary

(Membership No. A44448)

Date: May 27, 2017

Place: Mumbai

Registered Office: 1076, Dr. E Moses Road, Worli, Mumbai - 400018.

**DIRECTORS' REPORT**

To,  
The Members,  
**Shinrai Auto Services Limited**

Your Directors have pleasure in presenting the **SEVENTEEN ANNUAL REPORT** of the Company together with the Audited Financial Statement(s) of the Company for the year ended March 31, 2017.

**1. Financial Summary:**

**(Rs. In Lakhs)**

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
<b>Profit/Loss Before Depreciation and Finance Cost</b>	<b>660.55</b>	<b>162.12</b>	<b>659.87</b>	<b>(851.06)</b>
Deduction there from:				
Finance Cost	853.25	816.92	853.25	816.92
Depreciation & amortization expenses	180.52	190.81	229.30	190.84
<b>Profit (Loss) before tax</b>	<b>(373.21)</b>	<b>(845.60)</b>	<b>(422.68)</b>	<b>(1094.65)</b>
<b>Taxation</b>				
Current Tax	-	-		
Deffered Tax	-	-	-	0.06
Income Tax for earlier years	-	-	-	0.19
<b>Profit(Loss) after tax</b>	<b>(373.21)</b>	<b>(845.61)</b>	<b>(439.38)</b>	<b>(1094.91)</b>
Profit b/f from last year	(1363.65)	(518.05)	(1620.88)	(525.97)
<b>Balance carried to Balance sheet</b>	<b><u>(1736.86)</u></b>	<b><u>(1363.65)</u></b>	<b><u>(2060.26)</u></b>	<b><u>1620.88</u></b>

**Shinrai Auto Services Ltd.**

**Registered Office :** 1076, Dr. E. Moses Road, Near Shah & Nahar Industrial Estate, Worli Naka, Mumbai - 400 018.

Tel. : 022 2376 7500 \* Fax : 022 6670 1598 \* E-mail : accountsworli@uslshinrai.com

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## **2. Financial Performance**

### **• Standalone**

During the year under review total income from sales and operation amounted to Rs. 383.01 crores as against Rs. 316.39 Crores in the Previous Financial Year. Net Loss for the year under review was Rs. 3.73 Crores as against Rs. 8.46 Crores in the previous Financial Year.

### **• Consolidated**

The Consolidated revenue for the year ended March 31, 2017 was Rs. 383.01 Crores as against Rs. 313.93 Crores in the Previous Financial Year. Net Loss for the year under review was Rs. 4.39 Crores as against Rs. 10.95 Crores in the Previous Financial Year.

## **3. Dividend**

Your Directors do not recommend any dividend for the Financial Year 2016-17.

## **4. Subsidiary Companies.**

Reay Road Iron and Metal Warehousing Pvt Ltd. is the wholly owned Subsidiary of the Company. A statement containing the salient features of financial of Subsidiary Company forms part of Annual report as **Annexure I** in the prescribed Form AOC-1 in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013.

## **5. Details of Committees of the Board:**

At present, the Board has following two (2) Committees:

- Audit Committee and
- Nomination and Remuneration Committee.

### **a) Audit Committee**

The constitution, composition, terms of reference, role, powers, rights, obligations of Audit Committee are in conformity with the provisions of Section 177 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014.

The Audit Committee consists of the following Members as on March 31, 2017:

Name	Designation	Non-Executive/Independent
Mr. Sanjay Dosi	Chairperson	Independent Director
Mr. Suresh Parikh	Member	Independent Director
Mr. Varun Somani	Member	Managing Director

The Audit Committee has adequate powers and detailed terms of reference to play an effective role as required under Section 177 of the Companies Act, 2013, which *inter alia* include overseeing financial reporting processes, reviewing periodic financial results, financial statements and adequacy of internal control systems with the Management, approval of related party transactions, recommendation of appointment and remuneration of Auditors of the Company and etc.

During the year ended March 31, 2017, Four Meetings of the Audit Committee were held on following dates:

- i. May 16, 2016
- ii. August 12, 2016
- iii. November 10, 2016
- iv. February 13, 2017.

**b) Nomination and Remuneration Committee.**

The constitution, composition, terms of reference, role, powers, rights, obligations of Nomination and Remuneration Committee are in conformity with the provisions of Section 178 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014.

The Nomination and Remuneration Committee consists of the following Members as on March 31, 2017:

Name	Designation	Non-Executive/Independent
Mr. Sanjay Dosi	Chairperson	Independent Director
Mr. Rajendra Somani	Member	Non-Executive Director
Mr. Suresh Parikh	Member	Independent Director

During the year, March 31, 2017, one meeting of the Nomination and Remuneration Committee was held on July 12, 2016.

The purpose of the Remuneration Committee of the Board of Directors shall be to review and to discharge the Board's responsibilities related to remuneration of the Managing Director, Key Managerial Personnel, and Senior Management. The Committee has the overall responsibility for formulation of criteria of evaluation of Independent Director, identifying persons who are qualified to become a Director and appointment of Senior Management Personnel.

#### **6. Policy on Directors' Appointment and Remuneration:**

The Nomination and Remuneration Committee is entrusted with the responsibility of identifying and ascertaining the integrity, qualification, expertise and experience of the person for appointment as Directors, KMP or at Senior Management level and recommending their appointment for the consideration of the Board.

The Company has drawn up Nomination and Remuneration policy in line with the requirement of Section 178 of the Companies Act, 2013. The Policy *inter alia* provides that a person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

#### **7. Vigil Mechanism/ Whistle Blower Policy**

The Company has a Vigil Mechanism cum Whistle Blower Policy ('Vigil Mechanism') in place. The Vigil Mechanism is a system for providing a tool to the employees of the Company to report violation of personnel policies of the Company, unethical behavior, suspected or actual fraud, violation of code of conduct. The Company is committed to



provide requisite safeguards for the protection of the persons who raise such concerns from reprisals or victimization.

The Policy provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The Board of Directors affirm and confirm that no employee of the Company has been denied access to the Committee.

#### **8. Risk Management**

Your Company has appropriate risk management system in place for identification of risks and assessment of risks, measure to mitigate them and mechanism for their proper and timely monitors and reports.

#### **9. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace.**

The Company is committed to provide a healthy environment to all employees and thus does not tolerate any sexual harassment at workplace. The Company has in place, "Policy on Prevention, Prohibition and Redressal of Sexual Harassment." The policy aims to provide protection to employees at the workplace and preventing and redressing complaints of sexual harassment and it covers matters connected or incidental thereto.

The Company has not received any complaint of sexual harassment during the financial year 2016-2017.

#### **10. Adequacy of Internal Financial Controls with reference to the Financial Statements.**

The Company has devised appropriate systems and framework for adequate internal financial controls with reference to financial statements commensurate with the size, scale and complexity of its operations including proper delegation of authority, policies and procedures, effective IT systems aligned to business requirements, risk based internal audit framework, risk management framework.

The Audit Committee regularly reviews the internal control system to ensure that it remains effective and aligned with the business requirements. In case weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls.

Further, the Board annually reviews the effectiveness of the Company's internal control system. The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company.

A report of the Auditors pursuant to Section 143(3) (i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors' Report.

**11. Number of Board Meetings:**

During the year March 31, 2017, Six (6) Meeting of the Board were held on the following dates:

- (i) May 16, 2016
- (ii) July 12, 2016
- (iii) August 12, 2016
- (iv) October 10, 2016
- (v) November 10, 2016
- (vi) February 13, 2017

**12. Annual Evaluation of Board Performance**

Pursuant to the provisions of the Companies Act, 2013 the performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors in their separate meeting who also reviewed the performance of the Board as whole.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure for the performance evaluation of the Board of Directors.

The Board's functioning was evaluated on various aspects, including *inter alia* degree of fulfillment of key responsibilities, Board Structure and Composition, effectiveness of Board process, information and functioning.

The Directors were evaluated on aspects such as attendance and contribution at Board / Committee Meeting and guidance / support to the management outside Board / Committee Meetings. In addition, the Chairman was also evaluated on Key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement of all Board Members.

**13. Particulars of Loans, Guarantees and Investments.**

Particulars of Loans, Guarantees and Investment as required under Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 are given in Notes no. 11, 12 and 17, forming part of Financial Statements.

**14. Particulars of contracts or arrangements with related parties.**

The Company does not have any contract or arrangement or transaction with related party in terms of Section 188 of the Companies Act, 2013. Hence, the disclosure required to be provided under Section 134(3) (h) of the Companies Act, 2013, in Form AOC - 2 is not applicable and need not to be furnished.

The Disclosures as required under Accounting Standard - 18 (AS-18) "Related Party Disclosures" notified under Rule 7 of the Companies (Accounts) Rules, 2014 have been provided in Note No. 34 of the Notes forming part of the Financial Statements.

**15. Declaration of Independent Directors**

The Independent Directors have submitted their disclosures/ declarations to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

**16. Directors Responsibility Statement**

The Board of Directors of the Company confirm:

(i) that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2017 the applicable Accounting Standards have been followed.

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the profit of the Company for the year under review.

(iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the Provisions of the Companies Act,

2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the Directors have prepared the annual accounts for the year ended 31<sup>st</sup> March, 2017 on a 'going concern' basis.

(v) that the Directors have laid down internal financial control and that such internal financial control are adequate.

(vi) that the Directors have devised proper system to ensure compliance with the Provisions of all applicable laws.

#### **17. Extract of Annual Return**

In terms of Section 92 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, details forming the part of the extract of annual return is enclosed in **Annexure II** forming part of this Report.

#### **18. Disclosure of Particulars**

Information's as per the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy ,Technology Absorption, Foreign Exchange Earnings and Outgo is given in **Annexure III** forming part of this Report.

#### **19. Directors and Key Managerial Personnel**

In accordance with the requirements of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Jaya Somani, Non- Executive Director of the Company retire at the forthcoming Annual General Meeting and being eligible, offer herself, for re-appointment as Director liable to retire by rotation.

The Board of Directors at their meeting held on July 12, 2016 have appointed Mr. Paritosh Jain as the Company Secretary of the Company.

Except the above, there were no changes in the office of Director and Key Managerial Personnel of the Company.

## **20. Auditors**

### **a) Statutory Auditors**

Pursuant to the provisions of the Section 139 of the Companies Act, 2013 read with rule 6 of Companies (Audit and Auditors) Rules, 2014, M/s. Batliboi & Purohit, Chartered Accountants, retire at the conclusion of the 17<sup>th</sup> Annual General Meeting.

The Board of Directors of the Company at their meeting held on May 27, 2017 has decided to recommended the members, the re-appointment of M/s. Batliboi & Purohit, Chartered Accountants as Statutory Auditors of the Company for a period of 5 consecutive years i.e. to hold office from the conclusion of the 17<sup>th</sup> Annual General Meeting, until the conclusion of the 22<sup>nd</sup> Annual General Meeting of the Company to be held in the Year 2022 (subject to ratification of their appointment by the Members at every Annual General Meeting held after the forthcoming Annual General Meeting). As required under the provisions of Section 139(1) of the Act, the Company has received a written consent and Certificate from M/s. Batliboi & Purohit, Chartered Accountants, to the effect that their appointment, if made, would be in accordance with the provisions of the Companies Act, 2013 and the Rules framed there under and that they satisfy the criteria provided in Section 141 of the Act.

### **b) Secretarial Auditor and Secretarial Audit Report**

The Board has appointed M/s. GMJ & Associates, Practicing Company Secretaries, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2016- 17. The Report of Secretarial Auditor is annexed to this report as **Annexure IV**. The Report does not contain any qualification.

## **21. Other Disclosures/Reporting:**

Your Directors further state that during the year under review:

- a) no amount is transferred to General Reserve;
- b) there was no change in nature of Business;
- c) there was no change in Share Capital of the Company;
- d) the Company has not taken any deposits from Public or Shareholders of the Company;
- e) there were no significant / material orders passed by the Regulators or Courts or Tribunals impacting going concern status of your Company and its operations in future;

- f) there were no other material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which this financial statements relate and the date of this Report and
- g) there are no qualifications, reservation or adverse remark or disclaimer made by the Statutory Auditors in their Report

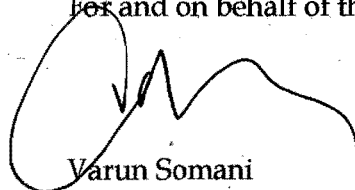
## 22. Personnel

Your Company continued to enjoy warm and healthy relations with its employees at all locations. Your Directors take this opportunity to record their appreciation for the significant outstanding contribution made by the employees at all levels.

## 23. Acknowledgement

Your Directors express their deep gratitude for the co-operation and support extended to the Company by its Members, Customers, Suppliers, Bankers and various Government agencies.

For and on behalf of the Board of Directors



Varun Somani  
Managing Director  
(DIN - 00015384)



Rajendra Somani  
Director  
(DIN - 00332465)

Date: May 27, 2017

Place: Mumbai

## 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

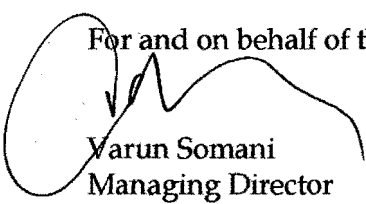
## Part "A": Subsidiaries

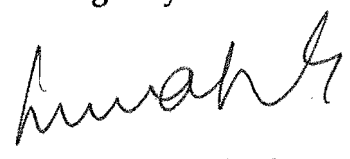
1	CIN No.	U45209MH2004PTC147461
2	Name of Subsidiary	Reay Road Iron and Metal Warehousing Private Limited.
3	Reporting period for the Subsidiary Concerned, if different from Holding Company's reporting period.	-
4	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries.	-
5	Share Capital	100,000
6	Reserves & Surplus	(21,30,781)
7	Total Assets	21,00,08,366
8	Total Liabilities	21,00,08,366
9	Investments	NIL
10	Turnover (Gross)	NIL
11	Profit Before Taxation	(49,46,695)
12	Provision for Taxation	-
13	Profit After Taxation	(66,17,369)
14	Proposed Dividend	NIL
15	% of Shareholding	100%

1. Names of subsidiaries which are yet to commence operations: NIL

2. Names of subsidiaries which have been liquidated or sold during the year: NIL

For and on behalf of the Board

  
Varun Somani  
Managing Director  
(DIN - 00015384)

  
Rajendra Somani  
Director  
(DIN - 00332465)

Date: May 27, 2017

Place: Mumbai

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2017

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

**I REGISTRATION & OTHER DETAILS:**

I	CIN	U35301MH1999PLC122386
II	Registration Date	26/10/1999
III	Name of the Company	Shinrai Auto Services Limited
IV	Category/Sub-category of the Company	Public Company Limited by Shares
V	Address of the Registered office & contact details	1076, Dr E. Moses Road, Worli, Mumbai - 400018 Tel No. 022-24964656
VI	Whether listed company	No
VII	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

SL No	Name & Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Selling of Toyota Cars	45101	89.00%

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES\***

Sr No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Oricon Enterprises Limited Address: 1076, Dr. E. Moses Road, Worli, Mumbai- 400018	L28100MH1968PLC014156	Holding	100	2(46)
2.	Reay Road Iron and Metal Warehousing Pvt Limited. Address: R.R No 1734, Magazine Street, Darukhana, Mumbai - 400010	U45209MH2004PTC147461	Subsidiary	100	2(87)



**(i) Category Wise Share Holding**

[illegible]

<b>(2) Non Institutions</b>									
<b>a) Bodies Corporates</b>									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	0	0	0	0	0	0	0	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(2):</b>	0	0	0	0	0	0	0	0	0
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	0	0	0	0	0	0	0	0	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	0	7000000	7000000	100	0	7000000	7000000	100	0

**(ii) Shareholding of Promoters**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Oricon Enterprises Limited	6999930	100.00	0	6999930	100.00	0	0
2	Rajendra Somani *	10	0.00	0	10	0.00	0	0
3	Sevantilal Jivanlal Parekh*	10	0.00	0	10	0.00	0	0
4	Susheel Somani*	10	0.00	0	10	0.00	0	0
5	Sanjay Jain *	10	0.00	0	10	0.00	0	0
6	B.K.Toshniwal*	10	0.00	0	10	0.00	0	0
7	Maharukh Kavarana * Russy	10	0.00	0	10	0.00	0	0
8	Paras Dakalia*	10						
<b>TOTAL</b>		<b>7000000</b>	<b>100.00</b>	<b>0</b>	<b>7000000</b>	<b>100.00</b>	<b>0</b>	<b>0</b>

**(iii) Change in Shareholding of Promoter**

Sl. No.	Name of Shareholder	Share holding at the beginning of the Year (01.04.2016)		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Share holding during the year (01.04.16 to 31.03.17)	
		No. of Shares	% of total shares of the company				No of shares	% of total shares of the company

There is no change in Promoter Shareholding during Financial year 2016-17

**(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & Holders of GDRs & ADRs)**

Sr. No.	Name of Shareholder	Share holding at the beginning of the Year (01.04.2016)		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Share holding during the year (01.04.16 to 31.03.17)	
		No. of Shares	% of total shares of the company				No of shares	% of total shares of the company
	At the beginning of the year							
	Date wise increase/ decrease		No Top Ten Shareholder					
	At the end of the year							

**(v) Shareholding of Directors and Key Managerial Personnel.**

Sr. No	Shareholding of each of the Directors & KMP	Share holding at the beginning of the Year (01.04.2016)		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Share holding during the year 01.04.16 to 31.03.17)	
		No. of Shares	% of total shares of the company				No of shares	% of total shares of the company
1	Sevantilal Parekh	10	0.00	-	-	-	10	0.00
2	Rajendra Somani	10	0.00	-	-	-	10	0.00
3	Susheel Somani	10	0.00	-	-	-	10	0.00
4	Varun Surendra Somani	-	-	-	-	-	-	-
5	Sanjay Dosi	-	-	-	-	-	-	-
6	Jaya Somani	-	-	-	-	-	-	-
7	Suresh kirtilal parekh	-	-	-	-	-	-	-

V. Indebtness (Financial Year 2016-17)				
				Amount in Rs.
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	617351690	68650000		686001690
ii) Interest due but not paid	4312289	11138816		15451105
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
	621663979	79788816		701452795
<b>Change in Indebtedness during the financial year</b>				
Additions (+)		103550370		103550370
Reduction (-)	31582376			(31582376)
<b>Net Change</b>	<b>(31582376)</b>	<b>103550370</b>		<b>71967994</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	587376895	168650000		756026898
ii) Interest due but not paid	2704708	14689186		17393894
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>590081603</b>	<b>183339186</b>		<b>773420789</b>

## VI. Remuneration of Directors and Key Managerial Personnel

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

Sr. No	Particulars of Remuneration	Name of MD/MTD/Manager
		<b>Mr. Varun Somani (Managing Director)</b>
1.	Gross Salary	25,20,000
	a)Salary as per provisions contained in Sec.17(1) of theIncome Tax Act,1961	
	b)Value of perquisites u/s17(2) of Income Tax Act,1961	
	c)Profits in lieu of salary underSec.17(3) of Income Tax Act,1961	--
2.	Stock Option	--

3.	Sweat Equity	--
4.	Commission - As % of profit - Others, specify	--
5.	Others, please Specify a) Provident Fund	2,01,600
	Total (A)	27,21,600
	Ceiling as per the Act	5% of the net profit of the Compa

B. Remuneration to Other Directors: (Financial Year 2016-17)				
Sr. No	Particulars of Remuneration	Name of the Directors		Total Amount
1	Independent Directors	Sanjay Dosi	Dr. Suresh Parikh	
	(a) Fee for attending board committee meetings	0	1500*	1500
	(b) Commission	0	0	0
	(c) Others, please specify	0	0	0
	Total	0	1500	1500

Sr. No	Particulars of Remuneration	Name of the Directors				
2	Other Non Executive Directors	Rajendra Somani	S J Parekh	S.G.Somani	Jaya Somani	Total
	(a) Fee for attending board/committee meetings	1500*	0	1500*	1500*	4,500
	(b) Commission	0	0	0	0	0
	(c) Others, please specify.	0	0	0	0	
	Total (2)	0	0	0	0	0
	Total	0	0	0	0	0
	Total Managerial Remuneration	1500	0	1500	1500	4,500


\* Sitting fees is only paid for attending Board Meeting held on May 16, 2017.

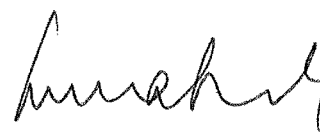
**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD  
(Financial Year 2016-17)**

Sl. No.	Particulars of Remuneration	Paritosh Jain (Company Secretary)
<b>1</b>	<b>Gross Salary</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	3,57,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
<b>2</b>	<b>Stock Option</b>	-
<b>3</b>	<b>Sweat Equity</b>	-
<b>4</b>	<b>Commission</b>	-
	- as % of profit	-
	- others, specify	-
<b>5</b>	<b>Others, please specify</b>	<b>18000</b>
	a) Provident Fund	
	<b>Total</b>	<b>3,75,000</b>

**VII Penalties/Punishment/Compounding of Offences: NIL**

For and on behalf of the Board

  
Varun Somani  
Managing Director  
(DIN - 00015384)

  
Rajendra Somani  
Director  
(DIN - 00332465)

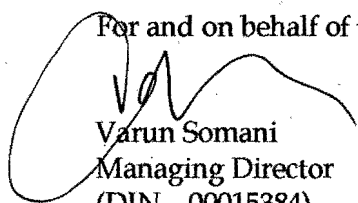
Date: May 27, 2017  
Place: Mumbai

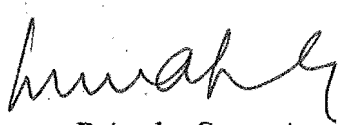
**ANNEXURE - III**

Information pursuant to the Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rule, 2014 and forming part of the Director's Report to the Members for the year ended March 31, 2017

	<b>PARTICULARS</b>	<b>REMARKS</b>
1.	<b>CONSERVATION OF ENERGY</b>	
A.	The steps taken or impact on Conservation of energy	The Company has no manufacturing activities; hence there is no need to take any steps for conservation of energy and technology absorption.
i.	Process optimization and automation	
ii.	Optimization of Electrical Equipment	
iii.	Lighting	
iv.	Other Key initiatives for Energy conservation	
B.	The steps taken by the Company for utilizing alternate sources of energy	
C.	The Capital Investment on energy conservation equipment	
2.	<b>TECHNOLOGY ABSORPTION</b>	
a.	The efforts made by the Company towards technology absorption	The Company has no manufacturing activities; hence there is no need to take any steps for conservation of energy and technology absorption.
b.	The benefits derived like product improvement, cost reduction, product development or import substitution	
c.	In case of imported technology ( imported during the last three years reckoned from the beginning of the Financial year)	
d.	The expenditure incurred on Research and Development	
3.	<b>FOREIGN EXCHANGE EARNINGS AND OUTGO</b>	There is no foreign exchange earning or outgo during the year.

For and on behalf of the Board

  
Varun Somani  
Managing Director  
(DIN - 00015384)

  
Rajendra Somani  
Director  
(DIN - 00332465)

Date: May 27, 2017  
Place: Mumbai

# **BATLIBOI & PUROHIT**

## **Chartered Accountants**

### **INDEPENDENT AUDITOR'S REPORT** **To the Members of Shinrai Auto Services Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Shinrai Auto Services Limited ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over





financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

- 1 As required by Companies (Auditors Report) Order, 2016 ('the Order') issued by Central Government of India in terms of sub section 11 of section 143 of the Act, we give in the Annexure -A a statement on the matters specified in paragraphs 3 and 4 of the order.
- 2 As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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'; and



- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 38 to the financial statements.

**For BATLIBOI & PUROHIT**

Chartered Accountants

ICAI Firm Regn. No.101048W

**Kaushal Mehta**

Partner

Membership No. 111749



Place : Mumbai

Date : 27<sup>th</sup> May, 2017

**Annexure A to the Independent Auditor's Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:-

- (i) a. The Company has maintained records showing full particulars, including quantitative details and situation of fixed assets;
- b. Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable property.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly paragraph 3 (iii) (a) (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) a. The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues with the appropriate authorities though there are slight delays in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- b. According to the information and explanation given to us, there are no dues of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues outstanding on account of any dispute.



- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks. There were no outstanding dues to any financial institution or debenture holders anytime during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For BATLIBOI & PUROHIT**

Chartered Accountants

ICAI Firm Regn. No.101048W

**Kaushal Mehta**

Partner

Membership No. 111749

Place: Mumbai

Date: 27th May, 2017





**Annexure B to the Independent Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Shinrai Auto Services Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to



**Chartered Accountants**

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.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, 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 BATLIBOI & PUROHIT**

Chartered Accountants

ICAI Firm Regn. No.101048W

**Kaushal Mehta**

Partner

Membership No. 111749



Place: Mumbai

Date: 27th May, 2017

# SHINRAI AUTO SERVICES LTD

## Statement of Profit & Loss for the year ended 31st March 2017

	Note No	31th March 2017	31st March'2016
I Revenue From Operations	19	3,768,997,106	3,082,754,263
II Other Income	20	61,107,088	81,198,704
III <b>Total Revenue</b>		<b>3,830,104,194</b>	<b>3,163,952,967</b>
IV <b>Expenses</b>			
Purchase of Traded Goods	21	3,110,828,407	2,455,886,373
Changes In inventories	22	(55006703)	67897418
Employee Benefits Expenses	23	92,135,119	83,242,093
Other Expenses	24	616,091,604	540,714,511
V <b>Total Expenses</b>		<b>3,764,048,427</b>	<b>3,147,740,395</b>
VI <b>Profit (Loss) Before Depreciation &amp; Finance cost</b>		<b>66055767</b>	<b>16212571</b>
VII Finance Costs	25	85,324,608	81692027
VIII <b>Profit (Loss) Before Depreciation</b>		<b>(19268841)</b>	<b>(65479456)</b>
IX Depreciation & Amortization Exp	26	18,052,076	19,080,679
X <b>Profit (Loss) After Depreciation</b>		<b>(37320917)</b>	<b>(84560135)</b>
XI <b>Exceptional Item</b>			
XII <b>Profit (Loss) Before Tax</b>		<b>(37320917)</b>	<b>(84560135)</b>
XIII Tax Expense			
a) Current Tax			
XIV <b>Profit (Loss) for the Year</b>		<b>(37,320,917)</b>	<b>(84,560,135)</b>
XV <b>Balance Carried Forwards to Balance sheet</b>		<b>(37,320,917)</b>	<b>(84,560,135)</b>
XVI <b>Basic Earning Per Equity Share</b>		<b>(5.33)</b>	<b>(12.08)</b>

### Summary of Significant accounting policies

1

The accompanying notes are an integral part of the financial statement

As per our report of even date attached

For and on behalf of

Batliboi & Purohit

Chartered Accountants

Firm Registration No :- 101048W

*Kaushal A. Mehta*

Kaushal A. Mehta

Partner

Membership No. 111749

Place : Mumbai

Date : 27/05/2017



For and on behalf of the Board

*Rajendra Somani*

Director

DIN : 00332465

*Varun Somani*

Managing Director

DIN : 00015384

*Paritosh Jain*

Paritosh Jain Company Secretary

# SHINRAI AUTO SERVICES LTD

## Notes to financial statements for the year ended 31st March 2017

	NOTE	31th March 2017	31st March'2016
<b><u>REVENUE FROM OPERATIONS</u></b>	<b>19</b>		
<b><u>Sale of Product</u></b>			
<b><u>Traded Goods</u></b>			
(A) Car		3,354,074,763	2,684,230,143
(B) Sale of Service		118,969,172	113,628,535
(C) Sale of Spare Parts		295,811,238	284,770,755
<b><u>Other Operating Revenue</u></b>			
Scrap Sales		141,933	124,829
<b>TOTAL</b>	<b>19</b>	<b>3,768,997,106</b>	<b>3,082,754,263</b>
<b><u>Other Income</u></b>	<b>20</b>		
(1) Insurance commission & Finance Incentive		50,165,049	37,892,169
(2) Credit Balance Written Back		3,327,951	12,967,341
(3) Commission		2,400,000	-
(3) Excess Provision Written back		4,137,352	-
(4) Interest Received		-	24,647,418
(5) Others		1,076,736	5,691,776
<b>TOTAL</b>	<b>20</b>	<b>61,107,088</b>	<b>81,198,704</b>
<b><u>Purchases of Traded goods</u></b>	<b>21</b>		
Cars		2,858,041,982	2,221,792,138
Spares Parts & Others		252,786,425	234,094,235
<b>TOTAL</b>	<b>21</b>	<b>3,110,828,407</b>	<b>2,455,886,373</b>
<b><u>Changes In inventories</u></b>	<b>22</b>		
Inventory at the beginning of the year :			
Traded Goods		146,631,742	214,529,160
Inventory at the end of the year :			
Traded Goods		201,638,445	146,631,742
<b>TOTAL</b>	<b>22</b>	<b>(55006703)</b>	<b>67897418</b>





<b>Finance Cost</b>	<b>25</b>		
Documentry Charges on borrowing loans		1,400,672	1,699,285
Interest on Borrowing		83,923,936	79,992,742
	<b>25</b>	<b>85,324,608</b>	<b>81,692,027</b>
<b>Employees Benefit Expenses</b>	<b>23</b>		
Salary, Wages & Bonus		81,182,849	73,580,443
Director Remuneration		2,701,440	2,701,440
Contribution to Provident & Other Funds		4,293,534	4,128,786
Gratuity		1,201,777	800,865
Leave Encashment		968,093	818,464
Staff Welfare Expenses		1,787,426	1,212,095
<b>TOTAL</b>	<b>23</b>	<b>92,135,119</b>	<b>83,242,093</b>

<b>Other Expenses</b>	<b>24</b>		
Electricity Charges		12,872,809	15,208,816
Freight & Forwarding Charges		3,564,279	3,108,296
Rent		41,185,620	33,675,138
Office Maintainance Exps		7,506,000	7,506,000
Rates & Taxes		278,821	1,316,310
Registration Charges		367,466,306	294,487,441
Insurance Charges		1,104,460	1,521,322
Insurance Expenses		3,154,375	2,983,670
Repairs & Maintainance		-	
I) Plant & Machinery		1,949,900	1,909,308
II) Repairs to Buildings		632,492	794,378
III) Repairs to Others		4,139,527	4,862,288
Advertising & Sales Promotion Expenses		6,368,296	7,192,409
Office Expenses		20,565,639	23,236,479
Travelling & Conveyance		1,963,108	2,467,123
Communication Expenses		2,371,911	2,500,467
Printing & Stationary		3,125,554	2,058,460
Legal & Professional Fees		3,506,228	2,399,901



Director sitting Fee	6,000	37,500
Payment to Auditor	-	
I) Audit Fee	107,500	40,000
II) Tax Audit Fee	12,500	12,500
III) Other Services	111,700	60,600
Octroi charges	79,050,613	72,671,414
Bad Debts	1,255,240	161,189
Petrol Expenses	-	
I) New Cars	4,189,048	3,189,603
II) Services	341,732	1,084,897
Workshop Expenses	27,286,558	34,932,859
Miscellaneous Expenses	21,975,388	21,296,142
<b>TOTAL</b>	<b>24</b>	<b>616,091,604</b>
		<b>540,714,511</b>

<b>Depreciation &amp; Amortization Exp</b>	<b>26</b>	
Depreciation on Tangible Assets	17,350,551	18,969,880
Amortisation on Intangible Assets	701,525	110,799
<b>TOTAL</b>	<b>26</b>	<b>18,052,076</b>
		<b>19,080,679</b>

As per our report of even date attached

For and on behalf of  
Batliboi & Purohit  
Chartered Accountants


Firm Registration No :- 101048W



Kaushal A . Mehta  
Partner  
Membership No. 111749  
Place : Mumbai  
Date : 27/05/2017



For and on behalf of the Board

  
Rajendra Somani  
Director  
DIN : 00332465

  
Varun Somani  
Managing Director  
DIN : 00015384

  
Paritosh Jain

SHINRAI AUTO SERVICES LTD  
BALANCE SHEET AS AT 31ST MARCH 2017

	Note No	31th March 2017	31st March'2016
<b>I EQUITY &amp; LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
(a) Share Capital	2	70,000,000	70,000,000
(b) Reserve & Surplus	3	(173,686,280)	(136,365,363)
<b>Total</b>		<b>(103,686,280)</b>	<b>(66,365,363)</b>
<b>2 Non Current Liabilities</b>			
(a) Long term Borrowings	4	370,793,859	298,089,089
(b) Long term Provision	5	8,391,493	7,441,357
<b>Total</b>		<b>379,185,352</b>	<b>305,530,446</b>
<b>3 Current Liabilities</b>			
(a) Short Term Borrowings	6	353,015,753	364,532,197
(b) Trade Payable	7	45,457,880	40,630,462
(c) Other Current Liabilities	8	207,625,430	145,621,725
(d) Short Term Provisions	9	869,088	871,906
<b>Total</b>		<b>606,968,151</b>	<b>551,656,290</b>
<b>TOTAL</b>		<b>882,467,223</b>	<b>790,821,373</b>
<b>II Asset</b>			
<b>1 Non Current Assets</b>			
(a) Fixed Assets (Net Block)			
(i) Tangible Assets	10	123,344,393	107,227,606
(ii) InTangible Assets	10	-	701,525
(b) Non Current Investment	11	10,000,000	10,000,000
(c) Long Term Loans & Advances	12	274,480,755	253,909,090
(e) Other Non Current Assets	13	18,105	18,105
<b>Total</b>		<b>407,843,253</b>	<b>371,856,326</b>
<b>2 Current Assets</b>			
(a) Inventories	14	201,638,445	146,631,742
(b) Trade Receivables	15	243,965,358	257,727,292
(c) Cash & Cash Equivalents	16	21,332,237	8,071,279
(d) Short Term Loans & Advances	17	1,220,186	2,330,409
(e) Other Current Assets	18	6,467,744	4,204,326
<b>Total</b>		<b>474,623,970</b>	<b>418,965,047</b>
<b>TOTAL</b>		<b>882,467,223</b>	<b>790,821,373</b>
<b>Summary of Significant accounting policies</b>	<b>1</b>		

The accompanying notes are an integral part of the financial statement

As per our report of even date attached

For and on behalf of

Batliboi & Purohit

Chartered Accountants

Firm Registration No :- 101048W

Kaushal A. Mehta  
Partner  
Membership No. 111749  
Place : Mumbai  
Date : 27/05/2017



For and on behalf of the Board

Rajendra Somani  
Director  
DIN : 00332465

Varun Somani  
Managing Director  
DIN : 00015384

Paritosh Jain

# SHINRAI AUTO SERVICES LTD

## Notes to financial Statements for the Year Ended 31st March 2017

	Note No	31th March 2017	31st March'2016
Share Capital	2		
Authorised Share Capital			
7000000 equity shares (p.y 7000000 shares) of Rs 10/ each		70,000,000	70,000,000
No of Issued Subscribed & Fully Paid up Capital			
7000000 equity shares (p.y 7000000 shares) of Rs 10/ each		70,000,000	70,000,000
Total		70,000,000	70,000,000
Reconciliation of the shares outstanding at the beginning and at the end of the Year			
At the Beginning of the year		7,000,000	7,000,000
Issued During The year			-
As at end of the year		7,000,000	7,000,000
Terms / Rights attached to equity Shares			
The Company has only one class of equity shares having at par value of 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in indian rupees.			
In the event of liquidation of the Company , the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders			
Shares held by holding/ultimate holding company and/ or their subsidiaries/associates			
None of the shares of the company are held by the Subsidiaries or Associates of the Company.			
Shares held by the Holding Company			
Oricon Enterprises Ltd (holding co.)		69999300 99.99%	69999300 99.99%
(No. of Share holding 69,99,930 shares (P.Y. 69,99,930 Shares))			
(@ the Rate of Rs. 10/- per share Fully paid up)			
TOTAL	2	70,000,000	70,000,000
Reserve & Surplus	3		
Balance Statement of Profit & Loss at the begning of the year		(136,365,363)	(51,805,228)
Loss for the year		(37,320,917)	(84,560,135)
Closing Balance	3	(173,686,280)	(136,365,363)



Long Term Borrowing	4		
Secured Loan			
Kotak Mahindra Prime Ltd		6,610,217	4,497,173
(secured Against Hypothecation of Vehicles)			
Interest @ 10.25%, repayable in 36 monthly installments			
Toyota Financial Services Ltd		17,187,869	3,532,552
(secured Against Hypothecation of Vehicles)			
Interest @ 10.25%, repayable in 36 monthly installments			
Unsecured Loans			
Kotak Mahindra Prime Ltd (Term Loan)		60,289,781	70,709,516
(Hypothecation against Property Interest @ 10.50% )			
Oricon Enterprises Ltd (Related Parties)		108,650,000	43,650,000
(Interest @ 10.50% )			
Future Capital holding ltd			175,699,848
Kotak Mahindra Prime Ltd		118,055,992	
(Hypothecation against Property Interest @ 10.50% )			
Oricon Properties Pvt Ltd		60,000,000	
(Interest @ 10.50% )			
TOTAL	4	370,793,859	298,089,089
Long Term Provision	5		
(a) Provision for Employee Benefits			
1) Leave Encashment		2,983,237	2,543,261
2) Gratuity		5,408,256	4,898,096
TOTAL	5	8,391,493	7,441,357
Short Term Borrowing	6		
(i) Kotak Mahindra Prime ltd		292,231,956	282,278,379
Nature Of Loan- Working Capital			
(secured Against Hypothecatin of vehicels			
Amount receivable/Bookdebts Current Assets)		-	-
(Interest @ 9.90%)			
(ii) Kotak Mahindra Bank Ltd (CC Account)		40,206,650	46,468,833
(hypothecation against spare parts, book dabts)			
(Interest @ 11.25%)			
(iii) Kotak Mahindra Bank Ltd		20,577,147	10,784,985
(iv) Oriental Containers Ltd		-	20,000,000
(v) Sarvamangal Mercantile Co.		-	5,000,000
TOTAL	6	353,015,753	364,532,197
Trade Payable	7	45,457,880	40,630,462
TOTAL	7	45,457,880	40,630,462



Other Current Liability	8		
(a) Interest Accrued on Borrowing		17,393,894	15,451,105
(b) Other Liabilities		-	954,768
(C) Other Paybles		-	-
Advances From Customer		20,261,754	6,230,534
Credit balance in trade receivable		39,747,362	36,865,220
Statutory Liability		60,882,452	43,820,342
Service Tax Payable		1,736,148	
Unpaid Salary & wages		6,421,602	6,412,753
Provision for Expenses		28,667,724	12,506,599
Additional Provision for incentive		297,208	
Current Maturities of Long Term Borrowings		-	
Ralated Parties		-	-
Others		32,217,286	23,380,404
<b>TOTAL</b>	<b>8</b>	<b>207,625,430</b>	<b>145,621,725</b>

Short Term Provision	9		
(a) Provision for Employee Benefits		-	
Gratuity		598,361	564,902
Leave Encashment		270,727	307,004
<b>TOTAL</b>	<b>9</b>	<b>869,088</b>	<b>871,906</b>

#### Assets

Non Current Investment	11		
Investment in Subsidiary - Trade		-	-
Reay Road Iron & Metal Warehousing Pvt Ltd			
10,000 Equity Shares of Rs 10 each (Face value) [previous year 10,000			
Equity Shares of Rs 10 each (Face value)]		10,000,000	10,000,000
<b>TOTAL</b>	<b>11</b>	<b>10,000,000</b>	<b>10,000,000</b>



Long Term Loan & Advances	12		
Unsecured Considered Good			
Advance to Related Party		-	199,098,532
Advance to others		10,650,000	10,650,000
Deposits		-	-
Unsecured Considered Good		-	-
1) with Related Parties		-	-
2) Other		236,142,888	13,499,911
Other Loan & advances		-	-
1) Prepaid Expenses		1,493,625	2,153,971
2) Service Tax on Input Materials		550,225	1,347,592
3) Value Added Tax on Input Materials		2,920,911	3,426,307
4) Tax Collected at Source		1,089,645	-
5) Tax Deducted at Source		21,633,461	23,732,776
<b>TOTAL</b>	<b>12</b>	<b>274,480,755</b>	<b>253,909,090</b>

Other Non Current Assets	13		
Margin Money in Indusnd Bank		18,105	18,105
<b>TOTAL</b>	<b>13</b>	<b>18,105</b>	<b>18,105</b>

Inventories -Traded	14		
Motor Vehicles		168,798,155	120,446,814
Spares Parts & Tools		32,840,290	26,184,928
<b>TOTAL</b>	<b>14</b>	<b>201,638,445</b>	<b>146,631,742</b>

Trade Receivable	15		
Unsecured Considered Good :			
(a) Outstanding for a period exceeding six months		95,281,403	96,233,679
(b) others		148,683,955	161,493,613
<b>TOTAL</b>	<b>15</b>	<b>243,965,358</b>	<b>257,727,292</b>



Cash & Cash Equivalents	16		
(a) Balances with Scheduled Banks		20,811,389	7,264,886
(b) Cash On Hand		520,848	806,393
<b>TOTAL</b>	<b>16</b>	<b>21,332,237</b>	<b>8,071,279</b>
Short Term Loan & Advances	17		
Advance to employees		1,220,186	2,330,409
<b>TOTAL</b>	<b>17</b>	<b>1,220,186</b>	<b>2,330,409</b>
Other current Assets	18		
Advance Recoverable in cash & kinds			
Considered Good		6,467,744	3,492,863
Octroi Refund Excess Payment Claimed from MCGM		-	711,463
<b>TOTAL</b>	<b>18</b>	<b>6,467,744</b>	<b>4,204,326</b>

As per our report of even date attached

For and on behalf of  
Batliboi & Purohit  
Chartered Accountants

Firm Registration No :- 101048W

*Kaushal A. Mehta*

**Kaushal A . Mehta**  
**Partner**

**Membership No. 111749**

**Place : Mumbai**

**Date : 27/05/2017**



For and on behalf of the Board

*Rajendra Somani* *Varun Somani*

**Rajendra Somani**  
**Director**

**DIN : 00332465**

**Varun Somani**  
**Managing Director**

**DIN : 00015384**

*Paritosh Jain*  
**Paritosh Jain**



**Shinrai Auto Services Ltd**

**Cash Flow statement for the year ended 31st March 2017**

		For the year ended 31st March 2017	For the year ended 31st March 2016
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>Rupees</b>	<b>Rupees</b>
	Net Profit / (Loss) before taxes	(37,320,917)	(84,560,135)
	Adjustment For		
	(Profit) Loss on sales of Fixed assets	184,638	1,107,344
	Depreciation	18,052,076	19,080,679
	Interest Income		(24,647,418)
	Finance Cost	85,324,608	81,692,027
	<b>Operating Profit before Working capital changes</b>	<b>66,240,405</b>	<b>(7,327,503)</b>
	(Increase) \ Decrease in Trade receivables	13,761,934	(46,111,749)
	(Increase) \ Decrease in Inventories	(55,006,703)	67,897,418
	Increase \ (Decrease) in Trade payable	4,827,418	(1,755,415)
	Increase \ (Decrease) in liabilities and provisions	52,171,352	(9,482,716)
	(Increase) \ Decrease in Loans & Advances and other current assets	(21,724,860)	(65,083,623)
	<b>Cash generated from operations</b>	<b>(5,970,859)</b>	<b>(54,536,085)</b>
	(Taxes Paid) \ Refunds (net)		
	<b>Net Cash from operating activities (A)</b>	<b>60,269,546</b>	<b>(61,863,588)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed assets	(43,895,028)	(10,194,886)
	Fixed asset Sales	11,999,660	5,485,000
	Interest received		24,647,418
	<b>Net cash from investing activities (B)</b>	<b>(31,895,368)</b>	<b>19,937,532</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Increase in Share Capital		
	Proceeds from borrowing	3,348,227,918	2,292,825,387
	Repayment of borrowing	(3,279,959,319)	(2,206,930,376)
	Finance Cost paid	(83,381,819)	(74,613,744)
	<b>Net Cash from financing activities (C)</b>	<b>(15,113,220)</b>	<b>11,281,267</b>
	<b>Net Changes In cash &amp; cash equivalent (A+B+C)</b>	<b>13,260,958</b>	<b>(30,644,789)</b>
	Net Increase / (Decrease) in cash & cash Equivalent :		
	Cash & cash equivalent at beginning of period	8,071,279	38,716,068
	Cash & cash equivalent as at 31st March 2017	21,332,237	8,071,279
		13,260,958	(30,644,789)

As per our report of even date attached

For and on behalf of

Batliboi & Purohit

Chartered Accountants

Firm Registration No :- 101048W

*K. A. Mehta*

Kaushal A. Mehta

Partner

Membership No. 111749

Place : Mumbai

Date : 27/05/2017



For and on behalf of the Board

*Rajendra Somani* *Varun Somani*

Rajendra Somani

Director

DIN : 00332465

Varun Somani

Managing Director

DIN : 00015384

*Paritosh Jain*

**Shinrai Auto Services Ltd.**

Notes No. 10 Financial Statement for year ended 31st March 2017

**FIXED ASSETS (Tangible)**

**TANGIBLE ASSETS**  
(Own assets, unless otherwise stated)

	Air Conditioner	Building	Electrical Installation	Furniture & Fixtures	Office Equipments	Plant & Machinery	Workshop Tools	Vehicle	Computer	Lease hold Improvements	Total
<b>Gross Block</b>											
Balance as at April 01, 2015	2,232,102	34,236,674	3,044,719	9,473,387	2,761,606	21,126,398	8,479,083	42,991,384	11,071,683	39,035,713	174,452,749
Additions	-	2,339,851	-	32,500	45,168	862,000	1,654,306	4,932,061	329,000	-	10,194,886
Deletions	-	-	-	-	-	-	-	10,572,158	-	-	10,572,158
Balance as at March 31, 2016	<b>2,232,102</b>	<b>36,576,525</b>	<b>3,044,719</b>	<b>9,505,887</b>	<b>2,806,774</b>	<b>21,988,398</b>	<b>10,133,389</b>	<b>37,351,287</b>	<b>11,400,683</b>	<b>39,035,713</b>	<b>174,075,477</b>
Additions	1,490,882	2,938,136	-	1,342,911	17,778	-	225,208	30,161,315	972,600	6,746,198	43,895,028
Deletions	-	-	-	-	-	-	-	20,232,331	-	-	20,232,331
Balance as at March 31, 2017	<b>3,722,984</b>	<b>39,514,661</b>	<b>3,044,719</b>	<b>10,848,798</b>	<b>2,824,552</b>	<b>21,988,398</b>	<b>10,358,597</b>	<b>47,280,271</b>	<b>12,373,283</b>	<b>45,781,911</b>	<b>197,738,174</b>
<b>Accumulated Depreciation</b>											
Balance as at April 01, 2015	378,214	14,270,146	1,146,260	2,840,761	1,145,641	6,717,350	2,939,303	13,237,947	7,019,476	2,162,709	51,857,807
Additions	264,006	1,174,239	349,804	1,151,762	646,011	1,408,161	708,006	6,403,455	2,515,253	4,349,184	18,969,880
Deletions	-	-	-	-	-	-	-	3,979,818	-	-	3,979,818
Balance as at March 31, 2016	<b>642,220</b>	<b>15,444,385</b>	<b>1,496,064</b>	<b>3,992,523</b>	<b>1,791,652</b>	<b>8,125,511</b>	<b>3,647,309</b>	<b>15,661,584</b>	<b>9,534,729</b>	<b>6,511,893</b>	<b>66,847,869</b>
Additions	262,448	1,251,656	340,661	1,130,656	436,522	1,301,081	702,146	5,432,609	1,740,010	4,752,761	17,350,551
Deletions	-	-	-	-	-	-	-	9,804,643	-	-	9,804,643
Balance as at March 31, 2017	<b>904,667</b>	<b>16,696,041</b>	<b>1,836,724</b>	<b>5,123,179</b>	<b>2,228,174</b>	<b>9,426,592</b>	<b>4,349,455</b>	<b>11,289,550</b>	<b>11,274,739</b>	<b>11,264,655</b>	<b>74,393,777</b>
<b>Net Block</b>											
Balance as at March 31, 2016	<b>1,589,882</b>	<b>21,132,140</b>	<b>1,548,655</b>	<b>5,513,364</b>	<b>1,015,122</b>	<b>13,862,887</b>	<b>6,486,080</b>	<b>21,689,703</b>	<b>1,865,954</b>	<b>32,523,820</b>	<b>107,227,608</b>
Balance as at March 31, 2017	<b>2,818,317</b>	<b>22,818,620</b>	<b>1,207,995</b>	<b>5,725,619</b>	<b>596,378</b>	<b>12,561,806</b>	<b>6,009,142</b>	<b>35,990,721</b>	<b>1,098,544</b>	<b>34,517,256</b>	<b>123,344,397</b>



## Shinrai Auto Services Ltd.

Notes No. 10 Financial Statement for year ended 31st March 2017

### FIXED ASSETS (In Tangible)

#### IN TANGIBLE ASSETS

(Acquired, unless otherwise stated)

Particulars	Computer Software
<b>Gross Block</b>	
Balance as at April 01, 2015	1,107,990
Additions	-
Deletions	-
Balance as at March 31, 2016	1,107,990
Additions	-
Deletions	-
Balance as at March 31, 2017	1,107,990
<b>Accumulated Depreciation</b>	
Balance as at April 01, 2015	295,666
Additions	110,799
Deletions	-
Balance as at March 31, 2016	406,465
Additions	701,525
Deletions	-
Balance as at March 31, 2017	1,107,990
<b>Net Block</b>	
Balance as at March 31, 2016	701,525
Balance as at March 31, 2017	-



## **SHINRAI AUTO SERVICES LTD**

**NOTE -1 TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

### **NOTES ON ACCOUNTS**

#### **1) Accounting Policies**

##### **a) Basis for Accounting:**

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

##### **b) Use of Estimates:**

The presentation of Financial Statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liability. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

##### **c) Revenue Recognition:**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are recognised net of trade discounts, rebates, sales taxes and insurance charges.

Income from services rendered is recognized as and when the service is performed and when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and is recognised net of service tax, as applicable.



**d) Depreciation:**

Depreciation on tangible fixed assets has been provided on straight line method as per the useful life prescribed in schedule II to the Companies Act, 2013  
Intangible are amortized over the period of 5 years.

**e) Fixed Assets:**

Fixed Assets are stated at cost of acquisition or construction less depreciation/amortization. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

**f) Inventories:**

Inventories are valued at cost or net realisable value, whichever is lower by using Weighted Average method of valuation. Cost is computed on a weighted average basis. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. Finished goods include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

**g) Cash and Cash Equivalents:**

In the cash flow statement, cash and cash equivalents include cash in hand, term deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

**h) Retirement Benefits:**

- i) Contributions to defined contribution schemes such as employees' state insurance, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.
- ii) Provision for Gratuity is accounted based on the actuarial valuation and charged to Profit & Loss Account.
- iii) The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. Provision for Leave Encashment is made on the basis of leave outstanding at the year ended. Provision for Leave encashment is accounted based on the actuarial valuation and charged to Profit & Loss Account.





**i) Operating Leases:**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under such leases are charged to the Statement of Profit and Loss on a straight line basis over the primary period of the lease.

**j) Impairment**

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

**k) Earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

**l) Policy for Taxes on Income**

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Current tax is determined as the amount of tax payable in respect of taxable for the year.



- 28) Debit and credit balances including Sundry Debtors amounting to Rs 24,39,65,358/- ,Creditors amounting to Rs 4,54,57,880/- , Loans taken aggregating Rs 37,07,93,859/- , loans and advances given aggregating to Rs 1,06,50,000 for which confirmation are not available are subject to adjustment or settlements. Sundry Debtors exceeding six months referred to Note no. 15 are considered 'good and recoverable' by the management.

29) **Deferred Taxation**

As the Company has unabsorbed depreciation and carry forward tax losses, no deferred tax assets are recognised as there is no virtual certainty supported by convincing evidence that they can be realised against future taxable profits. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date for any write down, as considered appropriate.

30) **Earning Per Shares**

	March 2017	March 2016
a) Profit/(Loss) After Tax (Rs.)	(3,73,20,917)	(8,45,60,135)
b) Weighted Average No. of Equity Shares - calculate for current year by weighted average method.	70,00,000	70,00,000
c) Earning Per Share	(5.33)	(12.08)

31) **Employees Benefits**

Consequent upon adoption of Accounting Standard on "Employees Benefits" (AS-15) (Revised 2005) issued by the Institute of Chartered Accountants of India, as required by the Standard, the following disclosures are made:

a) **Gratuity**

		2016-17 Gratuity (Unfunded)	2015-16 Gratuity (Unfunded)
a)	<b>Change in benefit obligations</b>		
	Defined benefit obligation at the beginning of the year	54,62,998	53,33,509
	Current Service cost	6,89,345	6,78,313
	Interest cost	4,37,586	4,24,547
	Actuarial (gain)/loss on obligations	74,846	(3,01,995)
	Benefit paid	(6,58,158)	(6,71,376)
	Defined benefit obligation at the end of the year recognized in Balance sheet	60,06,617	54,62,998
b)	<b>Assumptions used in the accounting for defined benefit plans</b>		
	Discount Rate	7.57%	8.01%
	Salary Escalation Rate	5.00%	5.00%
	Attrition Rate	2.00%	2.00%



C)	Expenses recognized in the income Statement	01/04/2016- 31/03/2017	01/04/2015- 31/03/2016
	Current Service Cost	6,89,345	6,78,313
	Interest cost	4,37,586	4,24,547
	Actuarial (Gain/Loss)	74,846	(3,01,995)
	Expense Recognized in P& L	12,01,777	8,00,865

**b) Leave Encashment**

	2016-17 Leave Encashment (Unfunded)	2015-16 Leave Encashment (Unfunded)
<b>Projected Benefit Obligation</b>	INR 32,53,964	INR 28,50,265
<b>Funding Status</b>	Unfunded	Unfunded
<b>Fund Balance</b>	N.A.	N.A.
<b>Current Liability</b>	INR 2,70,727	INR 3,07,004
<b>Non Current Liability</b>	INR 29,83,237	INR 25,43,261

Date of Valuation	31.03.2017	31.03.2016
<b>Mortality</b>	<b>Indian Assured Lives Mortality (2006-08) Ultimate</b>	<b>Indian Assured Lives Mortality (2006-08) Ultimate</b>
<b>Retirement Age</b>	<b>58 Years</b>	<b>58 Years</b>
<b>Attrition Rate</b>	<b>2.00% p.a (for all service groups)</b>	<b>2.00% p.a (for all service groups)</b>
<b>Salary Escalation Rate</b>	<b>5.00% p.a</b>	<b>5.00% p.a</b>
<b>Discount Rate</b>	<b>7.57% p.a.</b>	<b>8.01% p.a.</b>
<b>While in Service Encashment Rate</b>	<b>Not Considered For the Valuation</b>	<b>Not Considered For the Valuation</b>

**32) Segment Information**

The Company is the Dealer of Toyota Cars and is in the business of servicing of cars incidental to the dealership. Due to the Nature of business and risk and return profile, the business of the company is considered as a single segment and accordingly there are no separate reportable segment as required by the Accounting standard on segment Reporting (AS-17) issued by the ICAI.

**33) Foreign Currency**

Expenditure in foreign currency is Nil (Previous year is Nil)  
Earnings in foreign currency is Nil (Previous year is Nil)





34) **Related Party Disclosures**

Disclosure as per Accounting Standard 18 (AS-18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India

- 1) Holding Company  
Oricon Enterprises Ltd.
- 2) Enterprises owned or controlled (Wholly Owned Subsidiaries)  
Reay Road Iron & Metal Warehousing Pvt Ltd.
- 3) Key Managerial Personnels (KMP)  
Mr.Varun Somani (Managing Director)
- 4) Enterprises significantly influenced by KMP or their relatives (with whom there are transactions)
  - a) Kopran Laboratories Ltd
  - b) Kopran Limited
  - c) Oriental Containers Ltd

Details of transactions, with related parties are as follows :

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
1) Holding Company – Oricon Enterprises Ltd.		
Loan taken during the year	6,50,00,000	4,50,00,000
Loan repaid during the year	-	2,20,00,000
Sales of vehicle, Services & Facilities	64,572	15,568
Interest Paid	50,10,516	33,70,986
<u>Outstanding Balances</u>		
Unsecured Loan Payable	10,86,50,000	4,36,50,000
Debtors	-	-
Interest Payable	1,42,07,625	96,98,161
2) Enterprises owned or controlled (Wholly Owned Subsidiaries)		
Reay Road Iron & Metal Warehousing Pvt Ltd.		
Deposit Against Rent	21,03,30,000	19,90,98,532
3) Key Managerial Personnels (KMP) Mr.Varun Somani (Managing Director)		
Basic Salary- 15,12,000		
HRA- 7,56,000		
Conveyance- 1,80,000		
Special Allowance- 72,000		
P. Fund- 1,81,440		
Grand Total-	27,01,440	27,01,440
The above figures do not include provision for gratuity, as separate figure is not available for the managing director		



4) Enterprises significantly influenced by KMP or their relatives (with whom there are transactions)		
a) Kopran Laboratories Limited		
Loan Given	-	30,00,000
Loan Received back	-	30,00,000
Sale of Vehicle	22,11,296	-
	-	-
b) Kopran Limited		
Loan Taken	-	11,00,00,000
Loan Repaid		11,00,00,000
Interest Paid	-	11,18,530
Sale of Vehicle	23,00,226	19,79,216
Vehicles Service charges	9,03,646	5,13,486
c) Oriental Containers Ltd		
Loan Taken	2,50,00,000	4,00,00,000
Loan Repayment	4,50,00,000	2,00,00,000
Interest Paid	8,70,657	16,22,950
Sale of Vehicle	35,92,699	
Vehicles Service charges	3,33,582	
d) Varun somani		
Loan taken	-	99,00,000
Loan Repayment	-	99,00,000
e) Oricon Properties Pvt Ltd		
Loan Taken	22,70,96,140	
Loan Repaid	16,70,96,140	
Interest Paid	28,64,112	
<u>Outstanding Balances</u>		
Unsecured Loan Payable	6,00,00,000	
Interest Payable	4,81,561	

35)

a) Stock and Turnover:

		For the year ended 31 <sup>st</sup> MARCH, 2017		For the year ended 31 <sup>st</sup> MARCH, 2016	
		QTY.	VALUE	QTY	VALUE
A.	TURNOVER	Nos.	Rs.	Nos.	Rs.
	Cars	1865	3,354,074,763	1765	2,68,42,30,143
	Service (*)		118,969,172		11,36,28,535
	Spare Parts (*)		295,811,238		28,47,70,755
B.	PURCHASES				
	Cars	1885	2,858,041,982	1706	2,22,17,92,138
	Spares Parts (*)		25,27,86,425		23,40,94,235
C.	OPENING STOCK				
	Cars	116	12,04,46,814	175	18,69,60,438
	Spares Parts (*)		2,61,84,928		2,75,68,722
D.	CLOSING STOCK				
	Cars	136	16,87,98,155	116	12,04,46,814
	Spares Part		3,28,40,290		2,61,84,928

(\*) Consists of various items, hence quantitative details are not possible.

- 36) The company has taken various commercial premises under cancelable operating lease. The rent expenses included in the statement of profit & loss for the year is Rs 4,11,85,620/- (Previous Year Rs 3,36,75,138/-). None of the lease agreement entered into by the company contains a clause on contingent rent. The Company has taken many premises on rent and most of the agreements contain an escalation clause which varies depending upon the specific arrangement with the lessor. In all the rent agreements there are no terms for purchase option or any restriction such as those concerning dividend and additional debts.



37) Previous year figures have been regrouped/ reclassified wherever necessary.

38) Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification G.S.R 308(E) dated March 31, 2017. The details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification are as follows :

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hands as on November 8, 2016	4,15,500	37,498	4,52,998
(+) Permitted receipts	-	41,19,733	41,19,733
(-) Permitted Payments	-	9,04,908	9,04,908
(-) Amount deposited in Banks	4,15,500	27,46,687	31,62,187
Closing cash in hands as on December 30, 2016	-	5,05,636	5,05,636

\* for the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

As per our report of even date attached.  
For BATLIBOI AND PUROHIT  
Chartered Accountants  
Firm Registration No: - 101048W

For and on behalf of Board



Kaushal A. Mehta  
Partner  
Membership No.: 111749



Rajendra Somani  
Director  
DIN : 00332465



Varun S. Somani  
Managing Director  
DIN : 00015384

Place: Mumbai  
Date: 27/05/2017





Paritosh Jain  
Company Secretary

# **BATLIBOI & PUROHIT**

## **Chartered Accountants**

### **INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of Shinrai Auto Services Ltd**

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Shinrai Auto Services Ltd (hereinafter referred to as "the Holding Company"), and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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





An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2017 and their consolidated loss and their consolidated cash flows for the year ended on that date.

### Other Matters

(a) We did not audit the financial statements / financial information of a subsidiary, whose financial statements / financial information reflect total assets of **Rs. 2100.08 Lakhs** as at 31<sup>st</sup> March, 2017, total revenues of Rs. Nil and net cash outflows amounting to **Rs. 12.62 lakhs** for the year ended on that date, as considered in the consolidated financial statements.

These financial statements / financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Companies Act, 2013 ("the Act"), insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.



Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

**Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

(e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company, none of the directors of the Group is disqualified as on 31<sup>st</sup> March, 2017 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 Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Group does not have any pending litigations which has an impact on the consolidated financial position of the Group.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.



- iv. The Group has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Group. Refer Note 38 to the Consolidated financial statements.

This report is intended for the use of the management of the Company for submission to the Auditor's of the Parent Company for consolidation of Financial statements.

**For Batliboi & Purohit**

Chartered Accountants

ICAI Firm Registration number: 101048W

**Kaushal Mehta**

Partner

Membership number: 111749



Place: Mumbai

Date: 27<sup>th</sup> May, 2017



**Annexure - A to the Independent Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of **Shinrai Auto Services Limited** ("the Holding Company") and its subsidiary company.

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

The Respective Board of Directors of the Holding Company and its subsidiary 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the

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

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

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



**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Holding Company and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 ICAI.

**Other matters:**

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one Subsidiary company, is based on the corresponding report of the auditors of this subsidiary company. Our opinion is not qualified in respect of this matter.

For **BATLIBOI & PUROHIT**

Chartered Accountants

Firm's registration number: 101048W

*I. A. Mehta*

**Kaushal Mehta**

Partner

Membership number: 111749

Place: Mumbai

Date 27<sup>th</sup> May, 2017



# SHINRAI AUTO SERVICES LTD

## Consolidated Statement of Profit & Loss for the year ended 31st March 2017

		Note No	SHINRAI	REAY ROAD	31st March 2017	31st March 2016
I	Revenue From Operations	19	3,768,997,106	-	3,768,997,106	3,082,754,263
II	Other Income	20	61,107,088	-	61,107,088	56,555,297
III	Total Revenue		3,830,104,194	-	3,830,104,194	3,139,309,560
IV	Expenses					
	Purchase of Traded Goods	21	3,110,828,407	-	3,110,828,407	2,455,886,373
	Changes In inventories	22	(55006703)	-	(55006703)	67897418
	Employee Benefits Expenses	23	92,135,119	-	92,135,119	83,242,093
	Other Expenses	24	616,091,604	68,646	616,160,250	540,794,305
V	Total Expenses		3,764,048,427	68,646	3,764,117,073	3,147,820,189
VI	Profit (Loss) Before Depreciation & Finance cost		66055767	(68646)	65987121	(8510630)
VII	Finance Costs	25	85,324,608	0	85,324,608	81692027
VIII	Profit (Loss) Before Depreciation		(19268841)	(68646)	(19337487)	(90202657)
IX	Depreciation & Amortization Exp	26	18,052,076	4,878,049	22,930,125	19,084,564
X	Profit (Loss) After Depreciation		(37320917)	(4946695)	(42267612)	(109287221)
XI	Exceptional Item		-	-	-	(178053)
XII	Profit (Loss) Before Tax		(37320917)	(4946695)	(42267612)	(109465274)
XIII	Tax Expense					
	a) Tax For Earlier Year		-	-	-	19,513
	b) Current Tax		-	-	-	0
	c) Deffered Tax		-	1,670,674	1,670,674	6,364
XIV	Profit (Loss) for the Year		(37,320,917)	(6,617,369)	(43,938,286)	(109,491,151)
XV	Balance Carried Forwards to Balance sheet		(37,320,917)	(6,617,369)	(43,938,286)	(109,491,151)
XVI	Basic Earning Per Equity Share		(5.33)		(6.28)	(15.64)

### Summary of Significant accounting policies

1

The accompanying notes are an integral part of the financial statement

As per our report of even date attached

For and on behalf of

Batliboi & Purohit

Chartered Accountants

Firm Registration No :- 101048W

*Kaushal A. Mehta*

Kaushal A. Mehta

Partner

Membership No. 111749

Place : Mumbai

Date : 27/05/2017



For and on behalf of the Board

Rajendra Somani

Director

DIN : 00332465

*Paritosh Jain*

Paritosh Jain  
Company Secretary (PAN: AQTPJ437UP)

Varun Somani

Managing Director

DIN : 00015384

# SHINRAI AUTO SERVICES LTD

## Consolidated Notes to financial statements for the year ended 31st March 2017

	NOTE	SHINRAI	REAY ROAD	31th March 2017	31st March'2016
<b>REVENUE FROM OPERATIONS</b>	<b>19</b>				
<b>Sale of Product</b>					
<b>Traded Goods</b>					
(A) Car		3,354,074,763	-	3,354,074,763	2,684,230,143
(B) Sale of Service		118,969,172	-	118,969,172	113,628,535
(C) Sale of Spare Parts		295,811,238	-	295,811,238	284,770,755
<b>Other Operating Revenue</b>		-	-	-	-
Scrap Sales		141,933	-	141,933	124,829
<b>TOTAL</b>	<b>19</b>	<b>3,768,997,106</b>	<b>-</b>	<b>3,768,997,106</b>	<b>3,082,754,263</b>
<b>Other Income</b>	<b>20</b>				
(1) Insurance commission & Finance Incentive		50,165,049	-	50,165,049	37,892,169
(2) Credit Balance Written Back		3,327,951	-	3,327,951	12,967,341
(3) Commission		2,400,000	-	2,400,000	-
(3) Excess Provision Written back		4,137,352	-	4,137,352	-
(4) Interest Received		-	-	-	4,011
(5) Others		1,076,736	-	1,076,736	5,691,776
<b>TOTAL</b>	<b>20</b>	<b>61,107,088</b>	<b>-</b>	<b>61,107,088</b>	<b>56,555,297</b>
<b>Purchases of Traded goods</b>	<b>21</b>				
Cars		2,858,041,982	-	2,858,041,982	2,221,792,138
Spares Parts & Others		252,786,425	-	252,786,425	234,094,235
<b>TOTAL</b>	<b>21</b>	<b>3,110,828,407</b>	<b>-</b>	<b>3,110,828,407</b>	<b>2,455,886,373</b>
<b>Changes In inventories</b>	<b>22</b>				
Inventory at the beginning of the year :					
Traded Goods		146,631,742	-	146,631,742	214,529,160
Inventory at the end of the year :		-	-	-	-
Traded Goods		201,638,445	-	201,638,445	146,631,742
<b>TOTAL</b>	<b>22</b>	<b>(55006703)</b>	<b>-</b>	<b>(55006703)</b>	<b>67897418</b>



<b>Finance Cost</b>	<b>25</b>			
Documentary Charges on borrowing loans		1,400,672	-	1,400,672
Interest on Borrowing		83,923,936	-	83,923,936
	<b>25</b>	<b>85,324,608</b>	<b>-</b>	<b>85,324,608</b>
<b>Employees Benefit Expenses</b>	<b>23</b>			
Salary, Wages & Bonus		81,182,849	-	81,182,849
Director Remuneration		2,701,440		2,701,440
Contribution to Provident & Other Funds		4,293,534		4,128,786
Gratuity		1,201,777		800,865
Leave Encashment		968,093		818,464
Staff Welfare Expenses		1,787,426	-	1,787,426
<b>TOTAL</b>	<b>23</b>	<b>92,135,119</b>	<b>-</b>	<b>83,242,093</b>

<b>Other Expenses</b>	<b>24</b>			
Electricity Charges		12,872,809		15,208,816
Freight & Forwarding Charges		3,564,279		3,108,296
Rent		41,185,620		33,675,138
Office Maintainance Exps		7,506,000		7,506,000
Rates & Taxes		278,821	-	1,316,310
Registration Charges		367,466,306		294,487,441
Insurance Charges		1,104,460		1,521,322
Insurance Expenses		3,154,375		2,983,670
Repairs & Maintainance		-		-
I) Plant & Machinery		1,949,900		1,909,308
II) Repairs to Buildings		632,492		794,378
III) Repairs to Others		4,139,527		4,862,288
Advertising & Sales Promotion Expenses		6,368,296		7,192,409
Office Expenses		20,565,639	1,299	23,238,519
Travelling & Conveyance		1,963,108		2,467,123
Communication Expenses		2,371,911		2,500,467
Printing & Stationary		3,125,554		2,058,460
Legal & Professional Fees		3,506,228	10,500	2,440,401





Director sitting Fee	6,000		6,000	37,500
Payment to Auditor	-		-	
I) Audit Fee	107,500	17,250	124,750	57,175
II) Tax Audit Fee	12,500		12,500	12,500
III) Other Services	111,700		111,700	60,600
Octroi charges	79,050,613		79,050,613	72,671,414
Bad Dabts	1,255,240	-	1,255,240	161,189
Petrol Expenses	-		-	
I) New Cars	4,189,048		4,189,048	3,189,603
II) Services	341,732		341,732	1,084,897
Workshop Expenses	27,286,558		27,286,558	34,932,859
Miscellaneous Expenses	21,975,388	39,597	22,014,985	21,316,221
<b>TOTAL</b>	<b>24</b>	<b>616,091,604</b>	<b>68,646</b>	<b>616,160,250</b>
				<b>540,794,305</b>

Depreciation & Amortization Exp	26			
Depreciation on Tangible Assets		17,350,551	4,878,049	22,228,600
Amortisation on Intangible Assets		701,525		701,525
<b>TOTAL</b>	<b>26</b>	<b>18,052,076</b>	<b>4,878,049</b>	<b>22,930,125</b>
				<b>19,084,564</b>

As per our report of even date attached

For and on behalf of  
Batliboi & Purohit  
Chartered Accountants

Firm Registration No :- 101048W

*K. A. Mehta*

Kaushal A. Mehta  
Partner  
Membership No. 111749  
Place : Mumbai  
Date : 27/05/2017



For and on behalf of the Board

*Rajendra Somani*

Rajendra Somani  
Director  
DIN : 00332465

*Varun Somani*

Varun Somani  
Managing Director  
DIN : 00015384

*Paritosh Jain*

Paritosh Jain  
Company Secretary  
(PAN: AQTJ4374P)

SHINRAI AUTO SERVICES LTD  
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

	Note No	SHINRAI	REAY ROAD	31st March 2017	31st March 2016
<b>I EQUITY &amp; LIABILITIES</b>					
<b>1 Shareholder's Funds</b>					
(a) Share Capital	2	70,000,000	-	70,000,000	70,000,000
(b) Reserve & Surplus	3	(198,329,687)	(7,696,283)	(206,025,970)	(162,087,684)
<b>Total</b>		<b>(128,329,687)</b>	<b>(7,696,283)</b>	<b>(136,025,970)</b>	<b>(92,087,684)</b>
<b>2 Non Current Liabilities</b>					
(a) Long term Borrowings	4	370,793,859	-	370,793,859	298,089,089
(b) Deferred Tax liabilities (net)			1,692,797	1,692,797	22,123
(c) Long term Provision	5	8,391,493	-	8,391,493	7,441,357
<b>Total</b>		<b>379,185,352</b>	<b>1,692,797</b>	<b>380,878,149</b>	<b>305,552,569</b>
<b>3 Current Liabilities</b>					
(a) Short Term Borrowings	6	353,015,753	-	353,015,753	364,532,196
(b) Trade Payable	7	45,457,880	-	45,457,880	40,630,462
(c) Other Current Liabilities	8	207,625,431	17,250	207,642,681	148,103,242
(d) Short Term Provisions	9	869,088	-	869,088	871,906
<b>Total</b>		<b>606,968,152</b>	<b>17,250</b>	<b>606,985,402</b>	<b>554,137,806</b>
<b>TOTAL</b>		<b>857,823,817</b>	<b>-</b>	<b>851,837,581</b>	<b>767,602,691</b>
<b>II Asset</b>					
<b>1 Non Current Assets</b>					
(a) Fixed Assets (Net Block)					
(i) Tangible Assets	10	123,344,393	97,779,974	221,124,367	107,246,103
(ii) Intangible Assets	10	-	-	-	701,525
(iii) Capital Work in Progress			87,036,567	87,036,567	179,715,039
(b) Goodwill	11	-	4,335,399	4,335,399	4,335,399
(d) Long Term Loans & Advances	12	64,150,755	65,500	64,216,255	54,876,058
(e) Other Non Current Assets	13	18,105	-	18,105	18,105
<b>Total</b>		<b>187,513,253</b>	<b>189,217,440</b>	<b>376,730,693</b>	<b>346,892,229</b>
<b>2 Current Assets</b>					
(a) Inventories	14	201,638,445	-	201,638,445	146,631,742
(b) Trade Receivables	15	243,965,358	-	243,965,358	257,727,292
(c) Cash & Cash Equivalents	16	21,332,237	482,918	21,815,155	9,816,694
(d) Short Term Loans & Advances	17	1,220,186	-	1,220,186	2,330,409
(e) Other Current Assets	18	6,467,744	-	6,467,744	4,204,326
<b>Total</b>		<b>474,623,970</b>	<b>482,918</b>	<b>475,106,888</b>	<b>420,710,462</b>
<b>TOTAL</b>		<b>662,137,223</b>	<b>189,700,358</b>	<b>851,837,581</b>	<b>767,602,691</b>

**Summary of Significant accounting policies**

**1**

The accompanying notes are an integral part of the financial statement

As per our report of even date attached

For and on behalf of

Batliboi & Purohit

Chartered Accountants

Firm Registration No - 101048W

*Kaushal A. Mehta*

Kaushal A. Mehta

Partner

Membership No. 111749

Place : Mumbai

Date : 27/05/2017



For and on behalf of the Board

Rajendra Somani  
Director

DIN : 00332465

*Pantosh Jain*

Pantosh Jain  
Company Secretary (PAN: AQ TPT4374P)

Varun Somani  
Managing Director  
DIN : 00015384

# SHINRAI AUTO SERVICES LTD

## Consolidated Notes to financial Statements for the year Ended 31st March 2017

	Note No	SHINRAI	REAY ROAD	31th March 2017	31st March'2016
Share Capital	2				
Authorised Share Capital 700000 equity shares (p.y 7000000 shares) of Rs 10/ each		70,000,000		70,000,000	70,000,000
No of Issued Subscribed & Fully Paid up Capital 700000 equity shares (p.y 7000000 shares) of Rs 10/ each		70,000,000		70,000,000	70,000,000
					-
Total		70,000,000		70,000,000	70,000,000
Reconciliation of the shares outstanding at the beginning and at the end of the Year					
At the Beginning of the year		7,000,000		7,000,000	7,000,000
Issued During The year					-
As at end of the year		7,000,000		7,000,000	7,000,000

### Terms / Rights attached to equity Shares

The Company has only one class of equity shares having at par value of 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in indian rupees.

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

### Shares held by holding/ultimate holding company and/ or their subsidiaries/ associates

None of the shares of the company are held by the Subsidiaries or Associates of the Company.

### Shares held by the Holding Company

Oricon Enterprises Ltd (holding co.)	69999300	99.99%	69999300	99.99%
(No. of Share holding 69,99,930 shares (P.Y. 69,99,930 Shares))				
(@ the Rate of Rs. 10/- per share Fully paid up)				

TOTAL	2	70,000,000	-	70,000,000	70,000,000
Reserve & Surplus	3				
Balance Statement of Profit & Loss at the begning of the year		(161,008,770)	(1,078,914)	(162,087,684)	(52,596,533)
Loss for the year		(37,320,917)	(6,617,369)	(43,938,286)	(109,491,151)
Closing Balance	3	(198,329,687)	(7,696,283)	(206,025,970)	(162,087,684)





Long Term Borrowing	4			
Secured Loan				
Kotak Mahindra Prime Ltd (secured Against Hypothecation of Vehicles)		6,610,217	6,610,217	4,497,173
Interest @ 10.25%, repayable in 36 monthly installments				
Toyota Financial Services Ltd (secured Against Hypothecation of Vehicles)		17,187,869	17,187,869	3,532,552
Interest @ 10.25%, repayable in 36 monthly installments				
Unsecured Loans				
Kotak Mahindra Prime Ltd (Term Loan) (Hypothecation against Property Interest @ 10.50%)		60,289,781	60,289,781	70,709,516
Oricon Enterprises Ltd (Related Parties) (Interest @ 10.50%)		108,650,000	108,650,000	43,650,000
Future Capital Holding Ltd		-	-	175,699,848
Kotak Mahindra Prime Ltd (Hypothecation against Property Interest @ 10.50%)		118,055,992	118,055,992	-
Oricon Properties Pvt Ltd (Interest @ 10.50%)		60,000,000	60,000,000	-
<b>TOTAL</b>	<b>4</b>	<b>370,793,859</b>	<b>370,793,859</b>	<b>298,089,089</b>
Long Term Provision	5			
(a) Provision for Employee Benefits				
1) Leave Encashment		2,983,237	2,983,237	2,543,261
2) Gratuity		5,408,256	5,408,256	4,898,096
<b>TOTAL</b>	<b>5</b>	<b>8,391,493</b>	<b>8,391,493</b>	<b>7,441,357</b>
Short Term Borrowing	6			
(i) Kotak Mahindra Prime Ltd Nature Of Loan- Working Capital (secured Against Hypothecation of vehicles Amount receivable/Bookdebts Current Assets) (Interest @ 9.90%)		292,231,956	292,231,956	282,278,378
(ii) Kotak Mahindra Bank Ltd (CC Account) (hypothecation against spare parts, book debts) (Interest @ 11.25%)		40,206,650	40,206,650	46,468,833
(iii) Kotak Mahindra Bank Ltd		20,577,147	20,577,147	10,784,985
(iv) Oriental Containers Ltd		-	-	20,000,000
(v) Sarvamangal Mercantile Co.		-	-	5,000,000
<b>TOTAL</b>	<b>6</b>	<b>353,015,753</b>	<b>353,015,753</b>	<b>364,532,196</b>
Trade Payable	7	45,457,880	45,457,880	40,630,462
<b>TOTAL</b>	<b>7</b>	<b>45,457,880</b>	<b>45,457,880</b>	<b>40,630,462</b>



Other Current Liability	8				
(a) Interest Accrued on Borrowing		17,393,894		17,393,894	15,451,105
(b) Other Liabilities		-		-	951,768
(C) Other Paybles		-		-	-
Advances From Customer		20,261,754		20,261,754	6,230,534
Credit balance in trade receivable		39,747,362		39,747,362	36,865,220
Statutory Liability		60,882,452		60,882,452	46,284,683
Service Tax Payable		1,736,148		1,736,148	
Unpaid Salary & wages		6,421,602		6,421,602	6,412,754
Provision for Expenses		28,667,725	17,250	28,684,975	12,523,774
Reserve for incentive (Employees)		297,208		297,208	
Current Maturities of Long Term Borrowings		-		-	
Related Parties		-		-	
Others		32,217,286		32,217,286	23,380,404
<b>TOTAL</b>	<b>8</b>	<b>207,625,431</b>	<b>17,250</b>	<b>207,642,681</b>	<b>148,103,242</b>

Short Term Provision	9				
(a) Provision for Employee Benefits		-		-	
Gratuity		598,361		598,361	564,902
Leave Encashment		270,727		270,727	307,004
<b>TOTAL</b>	<b>9</b>	<b>869,088</b>	<b>-</b>	<b>869,088</b>	<b>871,906</b>

#### Assets

Goodwill	11				
Share Capital			100,000	100,000	100,000
Add: Reserve & Surpluse as on 03 May 2013			5,564,601	5,564,601	5,564,601
Sub Total			5,664,601	5,664,601	5,664,601
Less : Share Capital Sold on 3rd May 2013			10,000,000	10,000,000	10,000,000
<b>TOTAL</b>	<b>11</b>	<b>-</b>	<b>4,335,399</b>	<b>4,335,399</b>	<b>4,335,399</b>



Deferred Tax Assets				
Depreciation / Amortization charges for the financial reporting	-	22,123	22,123	22,123
Added during the year	-	1,670,674	1,670,674	-
	-	-	-	-
<b>TOTAL</b>	-	<b>1,692,797</b>	<b>1,692,797</b>	<b>22,123</b>

Long Term Loan & Advances	12			
Unsecured Considered Good				
Advance to Related Party		-	-	-
Advance to others		10,650,000	65,500	10,715,500
Deposits		-	-	-
Unsecured Considered Good		-	-	-
1) with Related Parties		-	-	-
2) Other		25,812,888		25,812,888
Other Loan & advances		-	-	-
1) Prepaid Expenses		1,493,625		1,493,625
2) Service Tax on Input Materials		550,225		550,225
3) Value Added Tax on Input Materials		2,920,911		2,920,911
4) Tax Collected at Source		1,089,645		1,089,645
5) Tax Deducted at Source		21,633,461		21,633,461
<b>TOTAL</b>	<b>12</b>	<b>64,150,755</b>	<b>65,500</b>	<b>64,216,255</b>

Other Non Current Assets	13			
Margin Money in Indusnd Bank		18,105		18,105
<b>TOTAL</b>	<b>13</b>	<b>18,105</b>	<b>-</b>	<b>18,105</b>

Inventories -Traded	14			
Motor Vehicles		168,798,155		168,798,155
Spares Parts & Tools		32,840,290		32,840,290
<b>TOTAL</b>	<b>14</b>	<b>201,638,445</b>	<b>-</b>	<b>201,638,445</b>

Trade Receivable	15			
Unsecured Considered Good :				-
(a) Outstanding for a period exceeding six months		95,281,403		95,281,403
(b) others		148,683,955		148,683,955
<b>TOTAL</b>	<b>15</b>	<b>243,965,358</b>	<b>-</b>	<b>243,965,358</b>



Cash & Cash Equivalents	16				
(a) Balances with Scheduled Banks		20,811,389	54,671	20,866,060	7,432,055
(b) Cash On Hand		520,848	428,247	949,095	2,341,639
<b>TOTAL</b>	<b>16</b>	<b>21,332,237</b>	<b>482,918</b>	<b>21,815,155</b>	<b>9,816,694</b>
Short Term Loan & Advances	17				
Advance to employees		1,220,186		1,220,186	2,330,409
<b>TOTAL</b>	<b>17</b>	<b>1,220,186</b>	<b>-</b>	<b>1,220,186</b>	<b>2,330,409</b>
Other current Assets	18				
Advance Recoverable in cash & kinds					
Considered Good		6,467,744		6,467,744	3,492,863
Octroi Refund Excess Payment Claimed from MCGM		-		-	711,463
<b>TOTAL</b>	<b>18</b>	<b>6,467,744</b>	<b>-</b>	<b>6,467,744</b>	<b>4,204,326</b>

As per our report of even date attached

For and on behalf of  
Batliboi & Purohit  
Chartered Accountants

Firm Registration No :- 101048W

*Kaushal A. Mehta*

Kaushal A. Mehta  
Partner

Membership No. 111749

Place : Mumbai

Date : 27/05/2017



For and on behalf of the Board

*Rajendra Somani*

Rajendra Somani  
Director  
DIN : 00332465

*Varun Somani*

Varun Somani  
Managing Director  
DIN : 00015384

*Paritosh Jain*  
Paritosh Jain  
Company Secretary  
(PAN: AATPJ4374P)

**Shinrai Auto Services Ltd**

**Consolidated Cash Flow statement for the year ended 31st March 2017**

		For the year ended 31st March 2017	For the year ended 31st March 2016
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>Rupees</b>	<b>Rupees</b>
	Net Profit / (Loss) After Tax	(42,267,612)	(1,09,287,221)
	Adjustment For		
	(Profit) Loss on sales of Fixed assets	184,638	1,107,344
	Depreciation	22,930,125	19,084,564
	Interest Income		(4,011)
	Finance Cost	85,324,608	81,692,027
	<b>Operating Profit before Working capital changes</b>	<b>66,171,759</b>	<b>(7,407,297)</b>
	(Increase) \ Decrease in Trade receivables	13,761,934	(46,111,749)
	(Increase) \ Decrease in Inventories	(55,006,703)	67,897,418
	Increase \ (Decrease) in Trade payable	4,827,418	(2,481,758)
	Increase \ (Decrease) in liabilities and provisions	49,707,087	(8,502,334)
	(Increase) \ Decrease in Loans & Advances and other current assets	(10,493,392)	(2,604,556)
	<b>Cash generated from operations</b>	<b>2,796,344</b>	<b>8,197,021</b>
	(Taxes Paid) \ Refunds (net)		-
	<b>Net Cash from operating activities (A)</b>	<b>68,968,103</b>	<b>789,724</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed assets	(53,856,082)	(10,217,267)
	Capital WIP	-	(37,865,110)
	Sale of Fixed Assets	11,999,660	5,485,000
	Interest received		4,011
	<b>Net cash from investing activities (B)</b>	<b>(41,856,422)</b>	<b>(42,593,366)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Increase in Share Capital		
	Proceeds from borrowing	3,348,227,918	2,292,825,387
	Repayment of borrowing	(3,279,959,319)	(2,206,930,376)
	Finance Cost paid	(83,381,819)	(74,613,744)
	<b>Net Cash from financing activities (C)</b>	<b>(15,113,220)</b>	<b>11,281,267</b>
	<b>Net Changes In cash &amp; cash equivalent (A+B+C)</b>	<b>11,998,461</b>	<b>(30,522,375)</b>
	Net Increase / (Decrease) in cash & cash Equivalent :		
	Cash & cash equivalent at beginning of period	9,816,694	40,339,069
	Cash & cash equivalent as at 31st March	21,815,155	9,816,694
		<b>11,998,461</b>	<b>(30,522,375)</b>

As per our report of even date attached

For and on behalf of

Batliboi & Purohit

Chartered Accountants

Firm Registration No :- 101048W

*Kaushal A. Mehta*

Kaushal A. Mehta

Partner

Membership No. 111749

Place : Mumbai

Date : 27/05/2017



For and on behalf of the Board

*Rajendra Somani* *Varun Somani*

Rajendra Somani

Director

DIN : 00332465

Varun Somani

Managing Director

DIN : 00015384

*Parijosh Jain*

Parijosh Jain  
Company Secretary (PAN: AQTJ4374)

**Shinrai Auto Services Ltd.**

Notes No. 10 Consolidated Financial Statement for year ended 31st March 2017

**FIXED ASSETS (Tangible)**

**TANGIBLE ASSETS**

(Own assets, unless otherwise stated)

	Air Conditioner	Building	Electrical Installation	Furniture & Fixtures	Office Equipments	Plant & Machinery	Workshop Tools	Vehicle	Computer	Reay road	Lease hold Improvements	Total
<b>Gross Block</b>												
Balance as at April 01, 2015	2,232,102	34,236,674	3,044,719	9,473,387	2,761,606	21,126,398	8,479,083	42,991,384	11,071,683	487,540	39,035,713	174,940,289
Additions	-	2,339,851	-	32,500	45,168	862,000	1,654,306	4,932,061	329,000	-	-	10,194,886
Deletions	-	-	-	-	-	-	-	10,572,158	-	-	-	10,572,158
Balance as at March 31, 2016	<b>2,232,102</b>	<b>36,576,525</b>	<b>3,044,719</b>	<b>9,505,887</b>	<b>2,806,774</b>	<b>21,988,398</b>	<b>10,133,389</b>	<b>37,351,287</b>	<b>11,400,683</b>	<b>487,540</b>	<b>39,035,713</b>	<b>174,563,017</b>
Additions	1,490,882	2,938,136	-	1,342,911	17,778	-	225,208	30,161,315	972,600	102,639,526	6,746,198	146,534,554
Deletions	-	-	-	-	-	-	-	20,232,331	-	-	-	20,232,331
Balance as at March 31, 2017	<b>3,722,984</b>	<b>39,514,661</b>	<b>3,044,719</b>	<b>10,848,798</b>	<b>2,824,552</b>	<b>21,988,398</b>	<b>10,358,597</b>	<b>47,280,271</b>	<b>12,373,283</b>	<b>103,127,066</b>	<b>45,781,911</b>	<b>300,865,240</b>
<b>Accumulated Depreciation</b>												
Balance as at April 01, 2015	378,214	14,270,146	1,146,260	2,840,761	1,145,641	6,717,350	2,939,303	13,237,947	7,019,476	276,250	2,162,709	52,134,057
Additions	264,006	1,174,239	349,804	1,151,762	646,011	1,408,161	708,006	6,403,455	2,515,253	3,884	4,349,184	18,973,764
Deletions	-	-	-	-	-	-	-	3,979,818	-	-	-	3,979,818
Adjusted with Reserves	-	-	-	-	-	-	-	-	-	188,909	-	188,909
Balance as at March 31, 2016	<b>642,220</b>	<b>15,444,385</b>	<b>1,496,064</b>	<b>3,992,523</b>	<b>1,791,652</b>	<b>8,125,511</b>	<b>3,647,309</b>	<b>15,661,584</b>	<b>9,534,729</b>	<b>469,043</b>	<b>6,511,893</b>	<b>67,316,912</b>
Additions	262,448	1,251,656	340,661	1,130,656	436,522	1,301,081	702,146	5,432,609	1,740,010	4,878,049	4,752,761	22,228,600
Deletions	-	-	-	-	-	-	-	9,804,643	-	-	-	9,804,643
Balance as at March 31, 2017	<b>904,667</b>	<b>16,696,041</b>	<b>1,836,724</b>	<b>5,123,179</b>	<b>2,228,174</b>	<b>9,426,592</b>	<b>4,349,455</b>	<b>11,289,550</b>	<b>11,274,739</b>	<b>5,347,092</b>	<b>11,264,654</b>	<b>79,740,869</b>
<b>Net Block</b>												
Balance as at March 31, 2016	<b>1,589,882</b>	<b>21,132,140</b>	<b>1,548,655</b>	<b>5,513,364</b>	<b>1,015,122</b>	<b>13,862,887</b>	<b>6,486,080</b>	<b>21,689,703</b>	<b>1,865,954</b>	<b>18,497</b>	<b>32,523,820</b>	<b>107,246,105</b>
Balance as at March 31, 2017	<b>2,818,317</b>	<b>22,818,620</b>	<b>1,207,995</b>	<b>5,725,619</b>	<b>596,378</b>	<b>12,561,806</b>	<b>6,009,142</b>	<b>35,990,721</b>	<b>1,098,544</b>	<b>97,779,974</b>	<b>34,517,257</b>	<b>221,124,371</b>





## Shinrai Auto Services Ltd.

Notes No. 10 Consolidated Financial Statement for year ended 31st March 2017

### FIXED ASSETS (In Tangible)

#### IN TANGIBLE ASSETS

(Acquired, unless otherwise stated)

Particulars	Computer Software
<b>Gross Block</b>	
Balance as at April 01, 2015	1,107,990
Additions	-
Deletions	-
Balance as at March 31, 2016	1,107,990
Additions	-
Deletions	-
Balance as at March 31, 2017	1,107,990
<b>Accumulated Depreciation</b>	
Balance as at April 01, 2015	295,666
Additions	110,799
Deletions	-
Balance as at March 31, 2016	406,465
Additions	701,525
Deletions	-
Balance as at March 31, 2017	1,107,990
<b>Net Block</b>	
Balance as at March 31, 2016	701,525
Balance as at March 31, 2017	-



## **SHINRAI AUTO SERVICES LTD.**

**NOTE -1 TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

### **NOTES ON ACCOUNTS**

The Company its subsidiary (jointly referred to as the Group) considered in this consolidated financial statements are :

- a) Name of subsidiary : Reay Road Iron and Metal warehousing Pvt Ltd ; Incorporated in India ;  
% of voting power 100 % as on 31.03.2017 ( previous year 100%)

#### **1) Accounting Policies**

##### **a) Basis for Accounting:**

These consolidated financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable and in particular Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements' .

The financial statements of the Company and its subsidiary, have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra company balances and intra company transactions and resulting unrealised profits are eliminated in full. Unrealised losses resulting from intra company transactions are also eliminated unless cost cannot be recovered.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The difference between the cost of investment in the subsidiary, and the Company's share of net assets at the time of acquisition of share in the subsidiaries is recognised in the financial statement as Goodwill.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

##### **b) Use of Estimates:**

The presentation of Financial Statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liability. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.





**c) Revenue Recognition:**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are recognised net of trade discounts, rebates, sales taxes and insurance charges.

Income from services rendered is recognized as and when the service is performed and when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and is recognised net of service tax, as applicable.

**d) Depreciation:**

Depreciation on tangible fixed assets has been provided on straight line method as per the useful life prescribed in schedule II to the Companies Act, 2013  
Intangible are amortized over the period of 5 years.

**e) Fixed Assets:**

Fixed Assets are stated at cost of acquisition or construction less depreciation/amortization. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

**f) Inventories:**

Inventories are valued at cost or net realisable value, whichever is lower by using Weighted Average method of valuation. Cost is computed on a weighted average basis. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. Finished goods include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

**g) Cash and Cash Equivalents:**

In the cash flow statement, cash and cash equivalents include cash in hand, term deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

**h) Retirement Benefits:**

- i) Contributions to defined contribution schemes such as employees' state insurance, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.
- ii) Provision for Gratuity is accounted based on the actuarial valuation and charged to Profit & Loss Account.
- iii) The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. Provision for Leave Encashment is made on the basis of leave outstanding at the year ended, Provision for Leave Encashment is accounted based on the actuarial valuation and charged to Profit & Loss Account.



**i) Operating Leases:**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under such leases are charged to the Statement of Profit and Loss on a straight line basis over the primary period of the lease.

**j) Impairment**

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

**k) Earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

**l) Taxes on Income**

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.



- 28) balances of Sundry Debtors amounting to Rs 24,39,65,358/- Creditors amounting to Rs 4,54,57,880/- , Loans taken aggregating Rs 37,07,93,859/- loans and advances given aggregating to Rs 1,07,15,500/- for which confirmation are not available are subject to adjustment or settlements. Sundry Debtors exceeding six months referred to Note no. 16 are considered 'good and recoverable' by the management.

29) **Deferred Taxation**

As the Group has unabsorbed depreciation and carry forward tax losses, no deferred tax assets are recognised as there is no virtual certainty supported by convincing evidence that they can be realised against future taxable profits. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date for any write down, as considered appropriate.

30) **Earning Per Shares**

	March 2017	March 2016
a) Profit/(Loss) After Tax (Rs.)	(4,39,38,286)	(10,93,13,098)
b) Weighted Average No. of Equity Shares - calculate for current year by weighted average method.	70,00,000	70,00,000
c) Earning Per Share	(6.28)	(15.62)

31) **Employees Benefits**

Consequent upon adoption of Accounting Standard on " Employees Benefits" (AS-15) (Revised 2005) issued by the Institute Of Chartered Accountants of India, as required by the Standard, the following disclosures are made:

a) **Gratuity**

		2016-17 Gratuity (Unfunded)	2015-16 Gratuity (Unfunded)
a)	<b>Change in benefit obligations</b>		
	Defined benefit obligation at the beginning of the year	54,62,998	53,33,509
	Current Service cost	6,89,345	6,78,313
	Interest cost	4,37,586	4,24,547
	Actuarial (gain)/loss on obligations	74,846	(3,01,995)
	Benefit paid	(6,58,158)	(6,71,376)
	Defined benefit obligation at the end of the year recognized in Balance sheet	60,06,617	54,62,998
b)	<b>Assumptions used in the accounting for defined benefit plans</b>		
	Discount Rate	7.57%	8.01%
	Salary Escalation Rate	5.00%	5.00%
	Attrition Rate	2.00%	2.00%



C)	Expenses recognized in the income Statement	01/04/2016-31/03/2017	01/04/2015-31/03/2016
	Current Service Cost	6,89,345	6,78,313
	Interest cost	4,37,586	4,24,547
	Actuarial (Gain/Loss)	74,846	(3,01,995)
	Expense Recognized in P& L	12,01,777	8,00,865

**b) Leave Encashment**

	2016-17 Leave Encashment (Unfunded)	2015-16 Leave Encashment (Unfunded)
Projected Benefit Obligation	INR 32,53,964	INR 28,50,265
Funding Status	Unfunded	Unfunded
Fund Balance	N.A.	N.A.
Current Liability	INR 2,70,727	INR 3,07,004
Non Current Liability	INR 29,83,237	INR 25,43,261

Date of Valuation	31.03.2017	31.03.2016
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Retirement Age	58 Years	58 Years
Attrition Rate	2.00% p.a (for all service groups)	2.00% p.a (as per applicable)
Salary Escalation Rate	5.00% p.a	5.00% p.a
Discount Rate	7.57% p.a.	8.01% p.a.
While in Service Encashment Rate	Not Considered For the Valuation	Not Considered For the Valuation

**32) Segment Information**

The Company is the Dealer of Toyota Cars and is in the business of servicing of cars incidental to the dealership. Due to the Nature of business and risk and return profile, the business of the company is considered as a single segment and accordingly there are no separate reportable segment as required by the Accounting standard on segment Reporting (AS-17) issued by the ICAI.

**33) Foreign Currency**

Expenditure in foreign currency is Nil (Previous year is Nil)  
Earnings in foreign currency is Nil (Previous year is Nil)



34) **Related Party Disclosures**

Disclosure as per Accounting Standard 18 (AS-18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India

- 1) Holding Company  
Oricon Enterprises Ltd.
- 2) Enterprises owned or controlled (Wholly Owned Subsidiaries)  
Reay Road Iron & Metal Warehousing Pvt Ltd.
- 3) Key Managerial Personnels (KMP)  
Mr.Varun Somani (Managing Director)
- 4) Enterprises significantly influenced by KMP or their relatives (with whom there are transactions)
  - a) Kopran Laboratories Ltd
  - b) Kopran Limited
  - c) Oriental Containers Ltd

Details of transactions, with related parties are as follows :

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
1) Holding Company – Oricon Enterprises Ltd.		
Loan taken during the year	6,50,00,000	4,50,00,000
Loan repaid during the year	-	2,20,00,000
Sales of vehicle, Services & Facilities	64,572	15,568
Interest Paid	50,10,516	33,70,986
<u>Outstanding Balances</u>		
Unsecured Loan Payable	10,86,50,000	4,36,50,000
Debtors	-	-
Interest Payable	1,42,07,625	96,98,161
2) Key Managerial Personnels (KMP) Mr.Varun Somani (Managing Director)		
Basic Salary- 15,12,000		
HRA- 7,56,000		
Conveyance- 1,80,000		
Special Allowance- 72,000		
P. Fund- 1,81,440		
Grand Total-	27,01,440	27,01,440
The above figures do not include provision for gratuity, as separate figure is not available for the managing director		
3) Enterprises significantly influenced by KMP or their relatives (with whom there are transactions)		





a) Kopran Laboratories Limited		
Loan Given	-	30,00,000
Loan Received back	-	30,00,000
Sale of Vehicle	22,11,296	-
	-	-
b) Kopran Limited		
Loan Taken	-	11,00,00,000
Loan Repaid		11,00,00,000
Interest Paid	-	11,18,530
Sale of Vehicle	23,00,226	19,79,216
Vehicles Service charges	9,03,646	5,13,486
c) Oriental Containers Ltd		
Loan Taken	2,50,00,000	4,00,00,000
Loan Repayment	4,50,00,000	2,00,00,000
Interest Paid	8,70,657	16,22,950
Sale of Vehicle	35,92,699	
Vehicles Service charges	3,33,582	
d) Varun somani		
Loan taken	-	99,00,000
Loan Repayment	-	99,00,000
e) Oricon Properties Pvt Ltd		
Loan Taken	22,70,96,140	
Loan Repaid	16,70,96,140	
Interest Paid	28,64,112	
<u>Outstanding Balances</u>		
Unsecured Loan Payable	6,00,00,000	
Interest Payable	4,81,561	

35)

a) Stock and Turnover:

		For the year ended 31 <sup>st</sup> MARCH, 2017		For the year ended 31 <sup>st</sup> MARCH, 2016	
		QTY.	VALUE	QTY	VALUE
A.	TURNOVER	Nos.	Rs.	Nos.	Rs.
	Cars	1865	3,354,074,763	1765	2,68,42,30,143
	Service (*)		118,969,172		11,36,28,535
	Spare Parts (*)		295,811,238		28,47,70,755
B.	PURCHASES				
	Cars	1885	2,858,041,982	1706	2,22,17,92,138
	Spares Parts (*)		25,27,86,425		23,40,94,235
C.	OPENING STOCK				
	Cars	116	12,04,46,814	175	18,69,60,438
	Spares Parts (*)		2,61,84,928		2,75,68,722
D.	CLOSING STOCK				
	Cars	136	16,87,98,155	116	12,04,46,814
	Spares Part		3,28,40,290		2,61,84,928

(\*) Consists of various items, hence quantitative details are not possible.

36) The company has taken various commercial premises under cancelable operating lease. The rent expenses included in the statement of profit & loss for the year is Rs 4,11,85,620/- (Previous Year Rs 3,36,75,138/-). None of the lease agreement entered into by the company contains a clause on contingent rent. The Company has taken many premises on rent and most of the agreements contain an escalation clause which varies depending upon the specific arrangement with the lessor. In all the rent agreements there are no terms for purchase option or any restriction such as those concerning dividend and additional debts.

37) Previous year figures have been regrouped/ reclassified wherever necessary.





### 38) Disclosure on Specified Bank Notes (SBNs)


During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification G.S.R 308(E) dated March 31, 2017. The details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification are as follows :


Particulars	SBNs*	Other denomination notes	Total
<b>Closing cash in hands as on November 8, 2016</b>	4,15,500	37,498	4,52,998
(+) Permitted receipts	-	41,19,733	41,19,733
(-) Permitted Payments	-	9,04,908	9,04,908
(-) Amount deposited in Banks	4,15,500	27,46,687	31,62,187
<b>Closing cash in hands as on December 30, 2016</b>	-	<b>5,05,636</b>	<b>5,05,636</b>

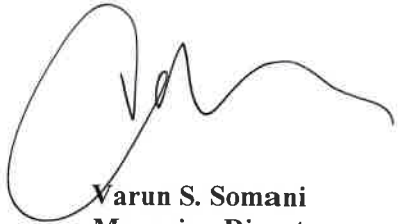
\* for the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

As per our report of even date attached.  
For BATLIBOI AND PUROHIT  
Chartered Accountants  
Firm Registration No: - 101048W

for and on behalf of Board


  
**Kaushal A. Mehta**  
Partner  
Membership No.: 111749

  
**Rajendra Somani**  
Director  
DIN : 00332465

  
**Varun S. Somani**  
Managing Director  
DIN : 00015384

Place: Mumbai  
Date: 27/05/2017



  
**Paritosh Jain**  
Company Secretary  
(PAN : AQTPIJ4374P)