

**Director's Report**

To,  
The Members of  
SHREEJI TRANSPORT SERVICES PRIVATE LIMITED

Your Directors have pleasure in presenting the Director's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2016.

**FINANCIAL HIGHLIGHTS**

Particulars	Current year	Previous Year
Revenue from Operations	873524412	918578197
Other Income	10596039.00	12978658.00
<b>Total Income</b>	<b>884120451.00</b>	<b>931556855.00</b>
Depreciation	34639970.00	45619725.00
<b>Tax</b>		
Current Tax	5697016.00	3058278.00
Deferred Tax	125085.00	-262297.00
<b>Profit/(Loss) after Tax</b>	<b>11495865.00</b>	<b>5658201.00</b>
Earnings per share (Rs.) :		
Basic	0.00	0.00
Diluted	0.00	0.00

**STATE OF COMPANY'S AFFAIRS**

During the year under review, the total Income of the Company was Rs 884120451.00/- against Rs 931556855.00/- in the previous year. The Company has earned a Profit after tax of Rs 11495865.00/- compared to Rs 5658201.00/- in the previous year. Your Directors are continuously looking for avenues for future growth of the Company.

**DIVIDEND**

Your Directors do not recommend any dividend for the year ended 31st March, 2016.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, CRITERIA SPECIFY**

There was no material changes and no commitment made by the directors affecting financial position of the company. So no criteria need to be specified for the year.

**DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

As on March 31, 2016, the Company does not have any subsidiary/joint venture/associate companies.

**CHANGE IN THE NATURE OF BUSINESS**



There is no change in the nature of the business of the company.

### **ANNUAL RETURN**

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 in Form MGT-9 is annexed herewith for your kind perusal and information.

### **MEETINGS OF THE BOARD OF DIRECTORS**

The following Meetings of the Board of Directors were held during the Financial Year 2015-16:

SN	Date of Meeting	Board Strength	No. of Directors Present
1	01/04/2015	6	6
2	30/07/2015	6	6
3	05/09/2015	6	6
5	31/12/2015	6	6
6	22/12/2015	6	6

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

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

### **APPOINTMENT OF INDEPENDENT DIRECTORS IN THE BOARD AND DECLARATION UNDER SECTION 149(6)**

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

### **STATUTORY AUDITOR AND AUDITORS' REPORT**

Pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, Ms. Sanjay C. Shah & Associates, Chartered Accountants (Firm Registration No. 128148W), be and are hereby reappointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held in the year 2019, (subject to ratification of their re-appointment at every Annual General Meeting), at a remuneration to be mutually agreed by them with the Board of Directors of the Company and that they be paid in addition the out of pocket expenses and/or travelling





expenses they may incur in carrying out their duties as Auditors.

### **BOARD'S RESPONSE TO OBSERVATIONS, QUALIFICATIONS AND ADVERSE REMARK IN AUDITOR'S REPORT**

The statutory Auditor has qualified the opinion in relation to matters specified in Note No.25 of Notes on Financial Statement for the year ended 31st March 2015.

#### **Auditor's Observation**

As stated in Note No.25 of Notes on Financial Statement, No Post Employment Benefit has been provided for the period in the financial statements. This is in contravention to accounting standard (AS) 15 on "Employee Benefits" issued by the Institute of Chartered Accountants of India. Had the Company made provision for Post Employment Benefit in accordance with Accounting Standard 15 supra, the Loss of the Company would have increased by the amount of provision so made and Shareholders' Fund would have been lower to that extent. In the absence of actual Valuation of post Employment Benefit available with the Company I am unable to quantify the amount by which loss is understated and Shareholder's Funds are overstated.

The Board's responses to the qualifications and other observations or adverse remarks are as follows

#### **Board's Response**

Company is engaged in the business of acting as transport contractor. In this type of business, the staff turnover for those who are directly engaged in operations is very high that it is very unlikely that Staff will continue for 5 years to be eligible for post retirement benefits. Accordingly Management is of the opinion provision for such Employees is not required.

However, Company is in the process of commencing making of provision for Gratuity for the Administrative and other staff and hence the same shall be reflected in the accounts of coming years.

### **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

The Secretarial Audit is not applicable on the company as it is not covered under the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitution of Corporate Social Responsibility Committee.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company is not required to form such policy.

### **LOANS, GUARANTEES AND INVESTMENTS**

The Company has not made / given / advanced any Loan, Guarantee and Investment during the financial year covered under section 186 of the Companies Act, 2013.

### **RELATED PARTY TRANSACTIONS**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions

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





The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

The company's operations involve low energy consumption. However, constant endeavors are made to check power consumptions and to optimize the use of energy by using energy-efficient computers and other equipments. The company uses CFL/LED fixtures.

## **RISK MANAGEMENT**

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines, and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

## **INTERNAL FINANCIAL CONTROLS**

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company. The system should be designed and operated effectively. Rule 8(5) (viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report. To ensure effective Internal Financial Controls the Company has laid down the following measures:

1. The internal financial control systems are commensurate with the size and nature of its operations.
2. All legal and statutory compliances are ensured on a monthly basis. Non-compliance, if any, is seriously taken by the management and corrective actions are taken immediately. Any amendment is regularly updated by internal as well as external agencies in the system.
3. Approval of all transactions is ensured through a preapproved Delegation of Authority Schedule which is reviewed periodically by the management.
4. The Company follows a robust internal audit process. Transaction audits are conducted regularly to ensure accuracy of financial reporting, safeguard and protection of all the assets. Fixed Asset verification of assets is done on an annual basis. The audit reports for the above audits are compiled and submitted to Board of Directors for review and necessary action.

## **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.



Your directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **ACKNOWLEDGEMENT**

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

Date 05/09/2016

Place Mumbai

For & on behalf of the Board of Directors

*Narendra C. Shah*

NARENDRA CHABILDAS SHAH  
DIN : 00268812  
(Director)

RAJNIKANT CHABILDAS SHAH  
DIN : 00269109  
(Director)