

**SUMERU INDUSTRIES LIMITED**

CIN NO.L65923GJ1994PLC021479

10th Floor, Sumeru Centre, Nr. Parimal Underbridge, Paldi, Ahmedabad – 380007

**24th ANNUAL REPORT 2016-17**

**SUMERU INDUSTRIES LIMITED**

CIN No. -L65923GJ1994PLC021479

10TH FLOOR, SUMERU CENTRE, NR. PARIMAL UNDERBRIDGE C G ROAD, PALDI, AHMEDABAD - 380007.

**NOTICE**

NOTICE is hereby given that the 24th Annual General Meeting of the members of the SUMERU INDUSTRIES LIMITED will be held on Monday, 25th September, 2017 at 9:00 A.M. at Corporate office of the Company situated at Final Plot No. 123, Behind Andaz Party Plot, S. G. Highway Road, Ahmedabad- 380058, to transact the following business:

**ORDINARY BUSINESS:**

- 1) To receive, consider, approve and adopt the Audited Financial Statements and the Reports of the Board of Directors and Auditor's thereon for the Financial year ended 31st March, 2017.
- 2) To appoint Director in place of Mr. Vipul H. Raja (DIN-00055770), who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint Statutory Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification, the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s M. B. Gabhawala & Co., Chartered Accountants, Ahmedabad having Firm Registration No: 001183C and holding valid Peer Review Certificate issued by the Institute of Chartered Accountants of India, be and is hereby appointed as the Statutory Auditors of the Company, in place of M/s Nitin K. Shah & Co., Chartered Accountants, Ahmedabad, who retires by rotation in terms of Section 139, from the conclusion of 24th Annual General Meeting upto the conclusion of 29th Annual General Meeting of the Company (from Financial year 2017-2018 to 2021-2022) subject to the ratification of their appointment by members at every Annual General Meeting and at such remuneration plus taxes, out of pocket expenses as may be mutually agreed between the Board and the Statutory Auditors from time to time and year to year."

**PLACE: AHMEDABAD.****DATE: 3RD JUNE, 2017**

**BY ORDER OF THE BOARD OF DIRECTORS  
OF SUMERU INDUSTRIES LIMITED**

**NIDHI K. SHAH  
COMPANY SECRETARY  
ACS NO-A33325**

**NOTES:**

1. In respect of resolution at item No. 2, a statement giving additional information on Director seeking reappointment as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is annexed with this notice.
2. 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.  
Pursuant to Provisions of Section 105 of Companies Act, 2013, a person can act as proxy on behalf of a member or number of members not exceeding fifty (50) and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as

proxy for any other member.

The instrument appointing proxy as per the format included in the Annual Report should be lodged with the Company at its Registered office not less than 48 hours before the commencement of the meeting i.e. by 9:00 A.M. on Saturday, 23rd September, 2017.

3. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members / Proxies / Authorised Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting. Members who hold shares in dematerialized form are requested to write their client ID and DP ID Nos and those who hold shares in physical form are requested to mention their folio no. in the attendance slip for attending the meeting.
6. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 16th September, 2017 to Monday, 25th September, 2017 (both days inclusive).
7. The Annual Report duly circulated to the Members of the Company, is available on the website of the Company [www.sumerugroup.in](http://www.sumerugroup.in). Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting.
8. All shareholders are requested to dematerialize their shareholding immediately as the shares are to be traded compulsorily in demat form only.
9. Members holding shares in physical mode are requested to register their e-mail ID's with the Bigshare Services Private Limited, the Registrar and Share Transfer agent of the Company and members holding shares in demate mode are requested to register their e-mail IDs with their respective Depository Participants (DPs) in case the same is not still registered.

If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrar and Share Transfer agent of the Company in respect of shares held by them in physical mode and to their respective Depository Participants in case of shares held in demate mode.

Members who wish to register their email ID can download the Green Initiative Form from the Company's website viz. [www.sumerugroup.in](http://www.sumerugroup.in)

10. A member desirous of seeking any information as regards to the business to be transacted at the meeting are requested to forward his / her query to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
11. Green Initiative: In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made there under, the copy of the Annual Report including Financial statements, Board's report etc. and this Notice are being sent by electronic mode, to those members who have registered their email IDs with their respective depository participants or with the share transfer agent of the Company, unless any member has requested for a physical copy of

the same. In case you wish to get a physical copy of the Annual Report, you may send your request to investors.sumeru@gmail.com mentioning your DP ID/ Folio and Client ID.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's R&T agent.  
All the members attending the Annual General Meeting are requested to bring their Photo ID (preferably PAN card) issued by any authority.
13. All the documents referred to in the accompanying Notice and Explanatory Statement are available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public holidays) between 11.00 a.m and 1.00 p.m. up to the date of Annual General Meeting.
14. Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with share certificates so as to enable the Company to consolidate their holding into one folio.
15. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.
16. A route map showing directions to reach the venue of 24th Annual General Meeting is given herewith as per the requirements of Secretarial Standard 2 on General Meeting.
17. Members are requested to send all communications relating to shares (Physical and Demate) to the Company's Registrar and Transfer agent at M/s Bigshare Services Private Limited, A/802, Samudra Complex, Near Klassic Gold Hotel, Girish Cold Drinks, Off. C.G. Road, Ahmedabad- 380009.

**GENERAL INSTRUCTIONS FOR VOTING:**

18. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide its members, facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
19. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
20. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
21. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or

write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

22. Mr. Kamlesh. M. Shah, Practicing Company Secretary, (Membership No. A8356 and COP No. 2072) (Address: 801-A, Mahalay Complex, Opp: Hotel President, B/h, Fairdeal House, Swastik Cross Roads, Navrangpura, Ahmedabad: 380009) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
23. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the meeting, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and submit to the Chairman of the Company.
24. The Results declared by the Chairman along with the Scrutinizer's Report shall be placed on the Company's website [www.sumerugroup.in](http://www.sumerugroup.in) and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and will be uploaded on website of Stock Exchange.
25. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. Saturday, 16th September, 2017, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or RTA.
26. The process and manner for voting:
  - (i) In case of members receiving e-mail
    - (i) The voting period begins on Friday, 22nd September, 2017 at 9:00 a.m. and ends on Sunday, 24th September, 2017 at 5:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, 16th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
    - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
    - (iii) Click on Shareholders.
    - (iv) Now Enter your User ID
      - a. For CDSL: 16 digits beneficiary ID,
      - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
      - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
    - (v) Next enter the Image Verification as displayed and Click on Login.
    - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
    - (vii) If you are a first time user then follow the steps given below:

For Members holding shares in Demat Form and Physical Form:

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	* Members who have not updated their PAN with the Company/Depository Participant are requested to use

	<p>the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on name and address sticker.</p> <ul style="list-style-type: none"> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Detail	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demate holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> i.e. SUMERU INDUSTRIES LIMITED, on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link account(s) for which they wish to vote on
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

(xx) Shareholders can also cast their vote using CDSL's mobile app m.voting available for all mobile users. please follow the instructions as prompted by the mobile app while voting on your mobile.

(II) In case of member receiving the physical please follow all steps from Sr no. (i) to sr. no. (xvii) above to cast vote.

**27. VOTING AT AGM :-**

The members who have not cast their votes by remote e-voting, can exercise their voting rights at the AGM through ballot paper.



# SUMERU INDUSTRIES LIMITED

## 28. Information as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief profile of the Director proposed to be appointed/ reappointed at the Annual General Meeting is given below:

Name of Director	Mr. Vipul H. Raja
DIN	00055770
Date of Birth	22/11/1953
Age	63 years
Educational Qualification	B. Com
Experience (No. of Years)	42 years
Business field in which Experience	Company management and allied matters
Date of Appointment as Director in the Company	03/03/1994
Shareholding in Sumeru Industries Ltd. (As on date of Notice)	16995183 shares consisting of 23.60% of total share capital
Member/ Chairman of any Committees in Sumeru Industries Limited	Member- Audit Committee Member- Nomination and Remuneration Committee Member- Stakeholders Grievance Committee
Directorship held in any other Company	Gujrat Credit Corporation Limited Gujarat Jaypee Cement & Infrastructure Limited Virat Tradex Private Limited Astro Park LLP
Member/ Chairman of any committees of the Directors in other Companies with names of the Company.	NIL
Member of any Trade Association/ Charitable Organization/ NGOs etc.	President of Shri Amdavad Dasha Shrimali Shrivak ni Nyat

## SUMERU INDUSTRIES LIMITED

CIN No.-L65923GJ1994PLC021479

10TH FLOOR, SUMERU CENTRE, NR. PARIMAL UNDERBRIDGE C G ROAD, PALDI, AHMEDABAD - 380007.

### DIRECTORS' REPORT

To,

The members of,

Sumeru Industries Limited

Your Directors have pleasure in presenting herewith the 24th Annual Report on the business and operations of the Company together with audited accounts for the financial year ended on 31st March, 2017.

#### 1. Financial Performance of the Company:

(Amount in Lacs.)

Particulars	2016-17	2015-16
Income from Operation	737.75	391.69
Other Income	29.50	32.89
Total Income	767.25	424.58
Total Expenditure before tax and dep.	758.28	415.64
Profit/(loss) before tax and dep.	8.97	8.94
Provision for depreciation	7.95	8.40
Net profit/(loss) after tax for the year	1.02	0.58
Add: balance B/F from previous year	293.96	293.38
Profit available for appropriation	1.02	0.58
Less: Excess/ (short) Provision	0	0
Balance carried to next year	294.98	293.96

#### 2. Year under Review:

During the year under review, the Company has earned total income of Rs. 7,67,24,668/- which includes operating income of

Rs. 7,37,74,592/- from trading activity and Other Income of Rs. 29,50,076/-. During Previous year, Company's total income was of Rs. 4,24,58,002/-. After deducting all administrative expenses and depreciation and necessary adjustments for taxation, etc. the Company has earned a net profit of Rs. 1,02,046/- during the year. (previous year of Rs. 58,392/-).

#### 3. State of Company's Affairs:

Company is operating in the business of Trading. In comparison with last year, Company has performed better in terms of profit and turnover.

#### 4. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

Except the information given in this report, no material changes have taken place after completion of the financial year up to the date of this report which may have substantial effect on business and finances of the Company.

#### 5. Dividend:

Due to business needs in future, the directors do not recommend any dividend for the financial year.

#### 6. Unclaimed Dividend:

The Company does not have any outstanding unclaimed dividend which is required to be transferred to the Investor Education and Protection Funds as per the provisions of Section 125 of the Companies Act, 2013. The Company does not have any outstanding liability on account of Interest and principal of Deposits, Debentures or Share Application Money.

#### 7. Share Capital Structure:

During the year under review, there were no changes in the Authorised, Issued, Subscribed and paid up Share Capital Structure of the Company.

**8. Deposits:**

During the year under review, your Company has neither invited nor accepted any public deposit as defined under Section 77 of the Companies Act, 2013.

**9. Particulars of loan, guarantees or investments under section 186:**

Company has not given any loan, not provided any guarantee or any security in connection with a loan to any other body corporate or person during the year under review.

**10. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

**11. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.**

Board members are of the view that commensurate with the size and nature of the business, your Company has maintained adequate Internal Financial control.

**12. Corporate Social Responsibility:**

As per Section 135 of the Companies Act, 2013 and Rules of Companies (Corporate Social Responsibility policy), 2014, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee.

As Company does not come under the ambit of above mentioned provisions, Company has not formed Corporate Social Responsibility Committee and hence Rule 9 of Companies (Accounts) Rule, 2014 regarding disclosure of contents of Corporate Social Responsibility Policy is not applicable to the Company.

**13. Conservation of energy, technology absorption, foreign exchange earnings and outgo:**

The information requires to be disclosed in the report of the Board of Directors as per the provisions of Section 134(3)(m) of the Companies Act, 2013 and Rule 3 of the Companies (Accounts) Rules, 2014 regarding the conservation of energy, technology absorption, foreign exchange earnings and outgo are not applicable to the Company, hence are not given herewith. There were no foreign Exchange earnings or outgo during the year.

**14. Dematerialization of securities:**

Your Company's Equity shares are admitted in the system of Dematerialization by both the Depositories namely NSDL and CDSL. The Company has signed triparty Agreement through Registrar and Share Transfer Agent M/s Bigshare Services Private Limited. The Investors are advised to take advantage of timely dematerialization of their securities. The ISIN allotted to your Company is INE 764 B01029. Total Share dematerialized up to 31st March 2017 were 5,41,90,499 which constitute 75.26% of total capital. Your Directors request all the shareholders to dematerialize their shareholding in the Company as early as possible.

**15. Disclosure with respect to demat suspense account/**

**unclaimed suspense account-**

The information required as per para F of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company hence are not given herewith.

**16. Statutory Auditors:**

M/s Nitin K. Shah & Co., Chartered Accountants, were appointed as a firm of Statutory Auditor of the Company for three (3) consecutive years i.e. for the Financial year 2014-15, 2015-16 and 2016-17 provided that its appointment shall be subject to ratification in every Annual General Meeting by way of passing of an Ordinary Resolution. In terms of Section 139 of the Companies Act, 2013, M/s Nitin K. Shah & Co., Chartered Accountants will retire as Company's Statutory Auditor at the conclusion of the 24th Annual General Meeting.

In view of the aforesaid, the Board of Directors, based on the recommendation of the Audit Committee, decided to appoint M/s M. B. Gabhawala & Co., Chartered Accountants (FRN- 001183C) as the new Statutory Auditor of the Company for a period of five years subject to approval of shareholders at the 24th Annual General Meeting.

**17. Cost Auditors:**

As our Company is neither engaged in the production of goods nor providing services as prescribed under Section 148 of the Companies Act, 2013, Company is not required to appoint Cost Auditor.

**18. Internal Auditors:**

In order to make proper compliance with the provisions of Corporate Governance the Company had appointed M/s. Shailesh Patel & Co., Chartered Accountants as Internal Auditors. They are regularly submitting their reports to the Audit Committee of the Company. They have agreed to be reappointed as the Internal Auditors for the next term.

**19. Secretarial Auditor and report thereon:**

M/s Kamlesh M. Shah, Practicing Company Secretary was appointed as Secretarial Auditor for the financial year 2016-2017 as per Section 204 of the Companies Act, 2013 and Secretarial Audit report (Form MR-3) is part of the Board's Report and attached as Annexure- I. The Secretarial Auditor has not made any remarks in their report which may require any further clarification from the Board.

**20. Extract of Annual Return:**

The extract of the annual return in Form No. MGT - 9 is part of the Board's report and attached herewith as Annexure- II.

**21. Management Discussion and Analysis -**

As per the Corporate Governance norms, a separate report on Management Discussion and Analysis outlining the business of the Company is set out as Annexure-III of this report.

**22. Declaration as to Independent Directors:**

(Pursuant To Provisions of Section 149(6) of the Companies Act 2013).

All the Independent Directors of the Company do hereby declare that:

- (a) All the Independent Directors of the Company are neither Managing Director, nor a Whole Time Director nor a Manager or a Nominee Director.

- (b) All the Independent Directors in the opinion of the Board are persons of integrity and possesses relevant expertise and experience.
- (c) (i) Independent Directors are or were not a Promoter of the Company or its Holding or subsidiary or associate company.  
(ii) Independent Directors are or were not related to promoters or directors in the company, its holding, subsidiary or associate company.
- (d) Independent Directors have or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year.
- (e) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary, or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakhs rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- (f) Independent Directors, neither himself, nor any of his relatives,  
i. Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of three financial years immediately preceding the financial year in which he is proposed to be appointed.  
ii. Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial years in which he is proposed to be appointed, or –
- (A) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- (B) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or Associate company amounting to ten per cent, or more of the gross turnover of such firm;
- iii. Holds together with his relatives less than two per cent shares or total voting power of the company; or
- iv. Is a Chief Executive or director, by whatever name called, or any non-profit organization that receives twenty five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
- (g) Independent Directors possesses such qualifications as prescribed.

**23. Director's Responsibility Statement:**

Pursuant to the provision contained in Section 134(5) of the Companies Act 2013, the Directors of your Company confirm that-

- (a) In the preparation of the annual accounts, as far as possible and to the extent mentioned by the Auditors in their report, the applicable accounting standards has been followed and no material departure has been made from the same;
- (b) 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 affair of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (c) 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 for preventing and detecting fraud and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) 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.

**24. Disclosure as per companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Total expenses of Director's Remuneration- Nil

Managerial Remuneration Expenses: Nil

Other employees Remuneration: Rs. 10,33,725/-

- ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Percentage increase in the remuneration paid to company secretary and chief financial officer is 10% over that of last year.

- iii) The percentage increase in the median remuneration of other employees in the financial year is 10%

- iv) The number of permanent employees on the rolls of company is 5.

- v) The explanation on the relationship between average increase in remuneration and company performance;

The increase in remuneration is considered on the overall economic condition, Industry trend and inflammatory pressure.

- vi) Comparison of the remuneration of the Key managerial personnel against the performance of the company ;

Remuneration paid to company secretary and chief financial officer is in accordance with the performance of the company during the year.

- vii) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

Closing Market Price of shares of Company as on 31/03/2016 : Rs.1.15/-

Closing Market Price of shares of Company as on 31/03/2017 :Rs. 1.20/-

Earnings Per share for the financial year ended on 31/03/2016 :Rs.0.0008/-

Earnings per share for the financial year ended on 31/03/2017 :Rs.0.0002/-

Based on the Closing Price as on 31st March, 2017, P/E Ratio is minimum.

- viii) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and

its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration ;

Remuneration paid to company secretary and chief financial officer is in accordance with the performance of the company during the year.

- ix) Comparison of the remuneration of each key managerial personnel against the performance of the company –

Company Secretary and CFO were paid remuneration during the year. Whereas, operation income of the Company is received from trading activities and other income are generated as dividend income from Investment made by the Company.

- x) The key parameters for any variable component of remuneration availed by the directors;

NOT APPLICABLE as directors are not paid any remuneration during the year.

- xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and

Directors are not paid any remuneration and No employee is receiving remuneration in excess of Key Managerial personnel i.e. Company Secretary and CFO.

- xii) Affirmation that the remuneration is as per the remuneration policy of the company.

All payable and proposed increase in the remuneration of the Employees and KMPs are recommended by Nomination & Remuneration Committee to the Board of Directors within the organization.

**25. Formal Annual Evaluation Process by Board:**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and Individual directors pursuant to provisions of the Companies Act, 2013 and Corporate Governance requirements as prescribed by SEBI under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The performance of the Board was evaluated by the Board of directors after seeking inputs from all the directors on the basis of criteria such as the Board Composition and structure, effectiveness of board process, information and functioning etc. The performance of the committee was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the structure of the committees, meetings and independency of the Committees etc

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

**26. Board Meetings: During the year four Board meetings were duly convened and held. The following are the dates on which the board meetings were held-**

(1) May 20, 2016, (2) July 30, 2016, (3) October 22, 2016 and (4) January 25, 2017.

The intervening gap between the Meetings was within the period prescribed under Companies Act, 2013.

- 27. Committees:** The Company has several Committees which have been established as a part of best corporate governance practices and are in a compliance with the requirements of the relevant provisions of applicable laws and statute.

**The Company has following Committees-**

- (a) **Audit Committee-** The members of Audit Committee met 4 times in a year and gap between two meetings was not more than 120 days. Following is the Composition of Audit Committee-

Name	Designation
Mr. Bhavin D. Mashruwala	Chairman
Mr. Vipul H. Raja	Member
Mr. A. C. Patel	Member

- (b) **Nomination and Remuneration Committee-** The members of Nomination & Remuneration Committee met 2 times during the year. Following is the Composition of Nomination & Remuneration Committee-

Name	Designation
Mr. Bhavin D. Mashruwala	Chairman
Mr. A. C. Patel	Member
Mrs. Sonal V. Raja	Member

- (c) **Stakeholders' Relationship Committee-** The members of Stakeholders' Relationship Committees met twelve times during the year. Following is the Composition of Stakeholders' Relationship Committee-

Name	Designation
Mr. Bhavin D. Mashruwala	Chairman
Mr. Vipul H. Raja	Member

**28. Establishment of code of conduct for directors and senior management persons:**

To enhance ethical and transparent process in managing the affairs of the Company, Board of Directors have adopted "Code of Conduct for Board of Directors and Senior Management Personnel" as per requirements of the listing Agreement. The same is available on the website of the Company.

**29. Establishment of vigil mechanism for directors and employees:**

Company has adopted vigil mechanism called "Whistle Blower Policy", for directors and employees to report to the management, instances of unethical behaviour, fraud or violation of the Company's code of Conduct or ethics policy. The same is available on the website of the Company.

**30. Disclosure under Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013-**

Pursuant to Section 22 of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013,



every Company is required to set up an Internal Complaint Committee to look into the complaints relating to sexual harassment at work place of any woman employee.

Company has adopted a policy for prevention of Sexual Harassment of Woman at workplace and has set up a committee for implementation of the said policy. During the year, Company has not received any complaints, and no any complaint pending at the end of the year.

**31. Prevention of Insider Trading:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All members of the Board Directors and the designated employees have confirmed compliance with the Code.

**32. Particulars of contracts or arrangements with related parties under section 188(1):**

During the financial year 2016-17, there was no new contract/arrangements for sell/purchase of goods or services of material nature with its promoters, directors, management, or relatives etc., which may have potential conflict with interest of the Company at large. Company has entered into fresh leave and license agreement for a period of 36 months from April, 2016 to March, 2019 with Mr. Nandit V. Raja, Promoter and Mrs. Sonal V. Raja, Promoter Director of the Company for the use of current Registered office premises and Corporate office premises. The annual rent (total) for all such agreements is less than 10% of total Turnover of the Company, hence the whole transaction is not considered as Material as per Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) 2015.

However, details of transactions with related parties are given in note 15 of Accounting Policies by Auditors as per Accounting Standard 18, Form no. AOC-2 pursuant to clause (4) of sub section (3) of section 134 of the act and rule 8 (2) of the companies (accounts) rules 2014 is attach herewith as annexure IV

**33. Exemption from certain provisions of Corporate Governance:**

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Paid up Capital and net worth of the Company as on 31st March, 2017 are less than the prescribed limit and as per exemption rule, our Company is exempted from certain provisions of Corporate Governance. Accordingly (i) Corporate Governance Report, (ii) declaration of CEO/ CFO certifying compliance by Board of Directors and Senior Management personnel with respective Code of Conduct and (iii) Compliance Certificate from Statutory Auditor regarding compliance with Corporate Governance Provisions is not given herewith.

Company will follow above mentioned provisions as and when become applicable to the Company.

**34. Change in Registrar & Transfer agent:**

The Company has pursuant to the interim order No. WTM/RKA/MIRSD2/41/2016 dated 22/03/2016 from SEBI has terminated appointment of Sharepro Services (I) Private Limited as its Registrar & Transfer agent w.e.f. 2nd June, 2016. The Company has appointed M/s Bigshare Services Private Limited as its Registrar & Transfer agent w.e.f. 3rd June, 2016. Complete details of their name, address, contact details are given below-

Bigshare Services Pvt. Ltd.,

A/802, Samudra Complex,

Near Classic Gold Hotel, Near Girish Cold Drinks,

Off. C.G. Road, Ahmedabad-380009

Tel No.-079-40024135

Email- bssahd@bigshareonline.com

Website- www.bigshareonline.com

**35. Appreciation:**

Your directors wish to place on record their gratitude and sincere appreciation for the assistance, trust and co-operation received from the shareholders, Bankers, Government authorities and clients during the year under review.

Your Directors would like to express profound sense of appreciation for the commitment shown by the employees in supporting the Company in its continued performance on all fronts.

**PLACE: AHMEDABAD**

**DATE: 03/06/2017**

**FOR & ON BEHALF OF THE  
BOARD OF DIRECTORS UNDER AN AUTHORITY  
SUMERU INDUSTRIES LIMITED**

**VIPUL H. RAJA**

**CHAIRMAN & MANAGING DIRECTOR**

**DIN-00055770**

