

**SHREE SURGOVIND TRADELINK LIMITED**

**21<sup>st</sup> ANNUAL REPORT**

**2015-2016**

# **SHREE SURGOVIND TRADELINK LIMITED**

**21st Annual Report  
2015-2016**

**BOARD OF DIRECTORS** : Mr. Navin M. Mehta – Whole Time Director  
Mr. Bharat Ratilal Gandhi- Independent Director  
Mrs. Padma Mayur Varadarajan- Independent Director  
Mrs. Swati Bakul Shah- Director

**BANKERS** : Union Bank of India

**AUDITORS** : P. P. Jayaraman & Co.  
Chartered Accountants  
Thane

**REGISTERED OFFICE** : 103/1, 1st Floor, Angel Complex,  
Behind Bluestar Complex, Navjeevan,  
Ahmedabad – 380014

**WEBSITE** : [www.sstradelink.co.in](http://www.sstradelink.co.in)

**REGISTRARS & SHARE  
TRANSFER AGENTS** : Adroit Corporate Services Private Limited  
19/20, Jaferbhoy Industrial Estate,  
1st Floor, Makwana Road, Marolnaka,  
Mumbai – 400 059  
Tel No. : (022) - 28594060  
Fax No. : (022) - 28503748  
E-mail : [adroits@vsnl.net](mailto:adroits@vsnl.net)

## NOTICE

**NOTICE** is hereby given that the Twenty First Annual General Meeting of the Members of **SHREE SURGOVIND TRADELINK LIMITED** will be held on **Thursday, the 4<sup>th</sup> day of August, 2016** at **4.00 P.M.** at the registered office of the Company at **103/1, 1<sup>st</sup> Floor, Angel Complex, Behind Bluestar Complex, Navjeevan, Ahmedabad – 380014** to transact, the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at 31<sup>st</sup> March, 2016 and the Profit and Loss Account for the financial year ended as on that date and the reports of the Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Navin Mehta, who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint M/s. P. P. Jayaraman & Co., Chartered Accountants as statutory auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

### SPECIAL BUSINESS:

4. 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 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, approval of the members be and is hereby given for appointment of Mrs. Padma Mayur Varadarajan, who was appointed as an Independent Director of the Company by the Board of Directors on 28<sup>th</sup> December, 2015, as an Independent Non-Executive Director, to hold office for 5 consecutive years and who shall not be liable to retire by rotation.”

5. 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 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, approval of the members be and is hereby given for appointment of Mrs. Swati Bakul Shah, who was appointed as a Additional Director of the Company by the Board of Directors on 28<sup>th</sup> December, 2015, as a Director of the Company.”

6. 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 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, approval of the members be and is hereby given for appointment of Mr. Bharat Ratilal Gandhi, who was appointed as an Independent Director of the Company by the Board of Directors on 28<sup>th</sup> December, 2015, as an Independent Non-Executive Director, to hold office for 5 consecutive years and who shall not be liable to retire by rotation."

**By order of the Board  
For Shree Surgovind Tradelink Limited**

**Navin Mehta  
Director**

**Place: Mumbai**

**Dated: 28<sup>th</sup> June, 2016**

**Registered Office:  
103/1, 1<sup>st</sup> Floor, Angel Complex,  
Behind Bluestar Complex,  
Navjeevan, Ahmedabad – 380014**



**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THAT PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company remain closed from Friday, 29<sup>th</sup> July, 2016 to Thursday, 4<sup>th</sup> August, 2016 (both days inclusive).
3. Members are requested to notify immediately the change of address, if any to the Company.
4. Members /Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
5. Members attending the Annual General Meeting are requested to bring their copies of Annual Report at the meeting.
6. The Documents referred to in the proposed resolution are available for inspection at the registered Office of the Company between 9.00 a.m. to 10.00 a.m., except on holidays up to the Annual General Meeting.
7. Mr. Navin Mehta, Director retire by rotation, and being eligible offer himself for re-appointment at the Annual General Meeting. A brief resume of the said Director, is given below:

Name	<b>Mr. Navin Mehta</b>
Directors Identification number (DIN)	<b>00764424</b>
Age	<b>51</b>
Qualification	<b>BSc., D Pharm</b>
Expertise in Specific Area	<b>Trading</b>
Date of first Appointment on the Board of the Company	<b>01/04/2008</b>
Shareholding in Shree Surgovind Tradelink Limited	<b>1,75,000</b>
List of Directorship held in other companies	<b>RKB Iron &amp; Steel Pvt. Ltd.</b>
Membership / Chairmanships of Audit and stake holders relationship committees	<b>Refer to Report on Corporate Governance</b>

8 The Company, consequent upon the introduction of the Depository system (DS), entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of equity shares of the Company. Members, therefore, now have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL.

9 Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 21<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CSDL).

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on Monday, 1<sup>st</sup> August 2016 from 10.00 a.m. onwards and ends on Wednesday, 3<sup>rd</sup> August, 2016 till 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 of Thursday, 28<sup>th</sup> July, 2016, 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) during the voting period
- (iii) Click on "Shareholders" tab.
- (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 follow the steps given below:



	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (Available in the Address label pasted in the cover and/or in the e-mail sent to the members) in the PAN Field.</li> <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	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.
Dividend Bank Details	<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 (v).</li> </ul>
<p>(viii) After entering these details appropriately, click on "SUBMIT" tab.</p> <p>(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.</p> <p>(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.</p> <p>(xi) Click on the EVSN for the relevant &lt;Company Name&gt; on which you choose to vote.</p> <p>(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.</p>	

- (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 Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://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 they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the 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) Mr. A. Sekar, Practicing Company Secretaries (Membership No. ACS 8649 and CP No. 2450), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutiniser shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make a Scrutinizer's Report of the votes cast in favour or against, if any, not later than forty eight hours of conclusion of meeting forthwith to the Chairman of the Company.



**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 4:**

The Board of Directors appointed Mrs. Padma Mayur Varadarajan as an Independent Non – Executive Director pursuant to Section 149, 152 of the Companies Act, 2013. Her term of office shall be of 5 consecutive years and she shall not be liable to retire by rotation.

Brief resume of Mrs. Padma Mayur Varadarajan, nature of her expertise in specific functional areas and names of Companies in which he hold directorships and memberships / chairmanships of Board committees, shareholding and relationships between directors inter-se, are provided herein below:

Name	<b>Mrs. Padma Mayur Varadarajan</b>
Directors Identification number (DIN)	<b>06699036</b>
Age	<b>32 yrs</b>
Qualification	<b>B.Com</b>
Expertise in Specific Area	<b>Accounts and finance</b>
Date of first Appointment on the Board of the Company	<b>28/12/2015</b>
Shareholding in Shree Surgovind Tradelink Limited	<b>NIL</b>
List of Directorship held in other companies	<b>NIL</b>
Membership / Chairmanships of Audit and stake holders relationship committees	<b>Refer to Report on Corporate Governance</b>

The Board considers that availing her services would be beneficial to the Company and she fulfills the conditions specified in the Companies Act, 2013 for appointment as a Independent Director.

Accordingly the Board, recommends the passing of the Ordinary Resolution as set out in Item no. 4 of the Notice.

Except Mrs. Padma Mayur Varadarajan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution, except and to the extent they are member of the Company.

**ITEM NO. 5:**

The Board of Directors appointed Mrs. Swati Bakul Shah as an Non-Independent Non-Executive Director pursuant to Section 152 of the Companies Act, 2013, and who shall be liable to retire by rotation.



Brief resume of Mrs. Swati Bakul Shah, nature of her expertise in specific functional areas and names of Companies in which he hold directorships and memberships / chairmanships of Board committees, shareholding and relationships between directors inter-se, are provided herein below:

Name	<b>Mrs. Swati Bakul Shah</b>
Directors Identification number (DIN)	<b>07379654</b>
Age	<b>53 yrs</b>
Qualification	<b>Graduation/Bachelor/Equivalent</b>
Expertise in Specific Area	<b>Administration</b>
Date of first Appointment on the Board of the Company	<b>28/12/2015</b>
Shareholding in Shree Surgovind Tradelink Limited	<b>50,700 Equity Shares</b>
List of Directorship held in other companies	<b>NIL</b>
Membership / Chairmanships of Audit and stake holders relationship committees	<b>Refer to Report on Corporate Governance</b>

The Board considers that availing her services would be beneficial to the Company and she fulfills the conditions specified in the Companies Act, 2013 for appointment as a Non-executive Director.

Accordingly the Board, recommends the passing of the Ordinary Resolution as set out in Item no. 5 of the Notice.

Except Mrs. Swati Bakul Shah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution, except and to the extent they are member of the Company.

**ITEM NO. 6:**

The Board of Directors appointed Mr. Bharat Ratilal Gandhi as an Independent Non – Executive Director pursuant to Section 149,150,161 of the Companies Act, 2013. His term of office shall be of 5 consecutive years and he shall not be liable to retire by rotation.

Brief resume of Mr. Bharat Ratilal Gandhi, nature of his expertise in specific functional areas and names of Companies in which he hold directorships and memberships / chairmanships of Board committees, shareholding and relationships between directors inter-se, are provided herein below:

Name	<b>Mr. Bharat Ratilal Gandhi</b>
Directors Identification number (DIN)	<b>07401218</b>
Age	<b>64</b>
Qualification	<b>Graduate</b>
Expertise in Specific Area	<b>Sales &amp; Marketing</b>
Date of first Appointment on the Board of the Company	<b>10/02/2016</b>
Shareholding in Shree Surgovind Tradelink Limited	<b>Nil</b>
List of Directorship held in other companies	<b>Nil</b>
Membership / Chairmanships of Audit and stake holders relationship committees	<b>Refer to Report on Corporate Governance</b>

The Board considers that availing his services would be beneficial to the Company and he fulfills the conditions specified in the Companies Act, 2013 for appointment as a Independent Director.

Accordingly the Board, recommends the passing of the Ordinary Resolution as set out in Item no. 6 of the Notice.

Except Mr. Bharat Ratilal Gandhi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution except and to the extent they are member of the Company.

**For and On Behalf of the Board of Directors**

**Navin M Mehta**  
**Director**

**Mumbai, dated 28<sup>th</sup> June, 2016**

## DIRECTORS' REPORT

Dear Members,

Your Director's have pleasure in presenting their Twenty-first Annual Report and Audited Annual Accounts of the Company for the year ended on 31<sup>st</sup> March, 2016.

### **FINANCIAL RESULTS:**

	(figures in Rs. Lacs)	
	<b>For the year 2015-2016</b>	<b>Previous Year 2014-2015</b>
Total Income	5925.62	5517.08
Profit before Depreciation & Tax	(111.06)	(289.74)
Less: Depreciation	6.40	11.10
Profit / (Loss) before tax	(117.46)	(300.84)
Tax Expenses / (Savings)	(0.88)	(2.27)
Profit / (Loss) after tax	(116.58)	(298.57)

### **REVIEW OF OPERATIONS AND FUTURE OUTLOOK**

The Company has recorded income from operations of Rs. 5925.62 lacs in current year as compared to Rs. 5517.08 lacs achieved during the corresponding period representing a rise of 6.90 % over the previous year. After offsetting the expenses the Company has incurred net loss (after tax) of Rs. 116.58 lacs during the year as against Loss after tax of Rs. 298.57 lacs incurred in the previous year.

The year under review has been a difficult one for the company, but the company is evolving various strategies to achieve higher growth in the future and with the new contracts and overall positive outlook in the country, the directors are confident that the company will be able to achieve higher sales and profitability in the times to come.

### **DIVIDEND**

In order to conserve resources for future growth, your Directors do not recommend any dividend for the year.

### **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure I".



## **DIRECTORS**

Mr. Navin M. Mehta retires by rotation and being eligible offers himself for re-appointment. The directors recommend his re-appointment.

Mr. Chirag Sanghavi was appointed as Independent Non-Executive Director w.e.f 25.06.2015 whereas, Mrs. Padma Mayur Varadarajan was appointed as Independent Non-Executive Director and Mrs. Swati Bakul Shah was appointed as an additional Director w.e.f 28<sup>th</sup> December, 2015 respectively. Also designation of Mr. Navin Mehta was changed to Whole time Director w.e.f 28.12.2015. Mr. Bharat Ratilal Gandhi was appointed as an Independent Non-Executive Director w.e.f 10<sup>th</sup> February, 2016.

Further Mrs. Kalpana Kulkarni, Mrs. Shruti Sawant, Mr. Mayur Tendulkar and Mr. Chirag Sanghavi resigned from their directorships with effect from 28.12.2015.

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### Nomination & Remuneration Policy

The Board has Nomination and Remuneration Committee and has framed policy for selection and appointment of Directors, Senior Management and their remuneration. The Nomination & remuneration Policy is stated in the Corporate Governance Report.

### Meetings

During the year eight Board Meetings were convened and held i.e., **29.05.2015, 22.06.2015, 07.08.2015, 14.11.2015, 28.12.2015, 10.02.2016, 11.03.2016 and 25.03.2016**. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## **COMPANY SECRETARY**

Pursuant to the section 203 of the Companies Act, 2013, the Board appointed Ms. Tanvi Bobhate as Company Secretary and Compliance Officer of the Company w.e.f 11.03.2016 in place of Mr. Ashwin Panditpautra, Company Secretary who resigned with effect from 31.05.2015.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to provisions of Section 134(5) of the Companies Act, 1956, the Directors would like to state that:

1. In preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures

2. They had selected such accounting standards, 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.
3. They had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the relevant acts for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the accounts are prepared on a going concern basis.
5. They had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. They had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

#### **CODE OF CONDUCT**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

#### **PARTICULARS OF EMPLOYEES**

During the year under review, there was no employee employed who was in receipt of remuneration in excess of the limits prescribed under section 197 read with Schedule V of the Companies Act, 2013.

Since there was only 1 employee during the year under review, the particulars required to be disclosed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 cannot be meaningfully given. The remuneration paid to the Key Managerial Personnel and the Whole Time Director is disclosed in the Corporate Governance Report annexed herewith.

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

Your Company has not carried out any manufacturing activities during the year. Hence no separate details of the energy consumption and conservation is provided in the report. However the company has taken all possible steps for conservation of the energy in the company.



The company has not adopted any foreign technology during the year.

The details of the foreign exchange is provided in the notes to the accounts forming part of the Balance sheet.

#### **AUDITORS**

M/s. P. P. Jayaraman & Co., Chartered Accountants, statutory auditors of the Company hold office until the conclusion of this Annual General Meeting. The Directors recommend their re-appointment as auditors of the Company.

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

The observations made by the auditors in their report are self explanatory when read with the notes to accounts and need no further elaboration.

#### **SECRETARIALAUDIT**

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed Mr. A.Sekar, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure II"

#### **OBSERVATIONS IN THE SECRETARIAL AUDIT REPORT**

The secretarial audit report obtained by the Company contains certain observations regarding exceptions to required compliances under the Companies Act, 2013 and the Listing Regulations, 2015.

The explanations of the Directors to the said observations are given below:-

1. The company could not recruit a whole time secretary during the period 01.06.2015 to 28.02.2016 despite its best efforts.
2. Subsequent to the end of the year under review, the Board of Directors in their meeting duly approved the policy for preservation of documents as required under Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. Subsequent to the end of the year under review, the Board of Directors have approved a policy for determination of materiality, based on criteria mentioned in Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **FIXED DEPOSITS**

The company has not accepted and/or renewed deposits from public during the year within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by the company are given in the notes to the financial statements.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee and of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies.

In order to further strengthen the operations of the company and also to address the requirements of internal controls, the company has decided to go in for a new integrated ERP system. The system is now in various stages of testing and validation. It is expected that the full implementation of all modules will take some more time.

### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on arm's length basis and were at prevailing market price. There are no materially significant related party transactions made by the company with Directors, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

Details of Related Party Transactions are annexed vide Form No. AOC 2

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

The Company has a vigil mechanism / Whistle Blower Policy to deal with instance of fraud and mismanagement, if any.

A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy.

### **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 Board Directors and the designated employees have confirmed compliance with the Code.

### **RISK MANAGEMENT POLICY**

Pursuant to section 134(3) (n) of the Companies Act, 2013, the company has adopted a Risk Management Policy. The details of the policy and its terms of reference are set out in the corporate governance report forming part of the Board's report.

At present the company has not identified any element of risk which may threaten the existence of the company.



### **CORPORATE COMPLIANCE POLICY**

Pursuant to section 134(5)(f) of the Companies Act, 2013, the Company has constituted Corporate Compliance Policy, to ensure compliance with the provisions of all applicable laws and to report that such systems were adequate and operating effectively.

### **ANTI – SEXUAL HARRASMENT POLICY**

The Company has in place an Anti Sexual harassment Policy in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. However, the Company does not have more than 10 number of employees and as such, has not constituted Internal Complaints Committee.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements), 2015, the Management Discussion and Analysis Report, which form an integral part of this Report, is set out as a separate Annexure.

### **CORPORATE GOVERNANCE**

The requirement to report on Corporate Governance is applicable to Companies having paid up capital of Rs. 10 crores. Since the paid up capital of the company is only Rs. 5.01 crores, there is no requirement to report on Corporate Governance as per Reg. 15(2) of SEBI (Listing Obligations and Disclosure Requirements), 2015.

However, Corporate Governance Report is attached as a separate annexure dealing with various governance aspects with emanating from Companies Act, 2013.

### **APPRECIATION**

Your Directors take the opportunity to thank all staff members for their Co-operation and contribution to the Company's Operation during the year. Your Directors also wish to place on record their appreciation for the support and co-operation by the Banks, Business Associates and Financial Institutions during the period under review.

**By order of the Board  
For Shree Surgovind Tradelink Limited**

**Place: Mumbai  
Dated: 28<sup>th</sup> June, 2016**

**Chairman**

**Registered Office:  
103/1, 1<sup>st</sup> Floor, Angel Complex,  
Behind Bluestar Complex,  
Navjeevan, Ahmedabad – 380014**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis**  
**NIL**

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Name(s) of the related party and nature of relationship	<b>RKB Global Pvt. Ltd.</b>	<b>RKB Steel Pvt. Ltd.</b>
Nature of contracts /arrangements/transactions	<b>Purchases / Sales / Payment of Rent</b>	<b>Purchases / Sales</b>
Duration of the contracts / arrangements/transactions	<b>Not defined</b>	<b>Not defined</b>
Salient terms of the contracts or arrangements or transactions including the value, if any	<b>Transactions were made in the ordinary course of business at prevailing market prices. Purchases – Rs. 114,141,920 Sales – Rs. 107,159,951 Godown Rent – Rs.108,000</b>	<b>Transactions were made in the ordinary course of business at prevailing market prices. Purchases – Rs. 337,193 Sales – Rs. 141,165</b>
Date(s) of approval by the Board, if any	<b>29.05.2015</b>	<b>29.05.2015</b>
Amount paid as advances, if any	<b>NIL</b>	<b>NIL</b>

**By order of the Board  
For Shree Surgovind Tradelink Limited**

**Place: Mumbai  
Dated: 28<sup>th</sup> June, 2016**

**Chairman**

**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN:-**L51901GJ1995PLC027958**
- ii) Registration Date: **26-10-1995**
- iii) Name of the Company: **Shree Surgovind Tradelink Limited**
- iv) Category / Sub-Category of the Company: **Public Company / Limited by shares & Company having share capital**
- v) Address of the Registered office and contact details: **103 / 1<sup>st</sup> Floor, Angel Complex, Behind Bluestar Complex, Navjeevan, Ahmedabad, Gujarat – 380014. Contact No. 61925555**
- vi) Whether listed company Yes / No: **Yes**
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: **Adroit Corporate Services Private Ltd., 19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Rd, Marolnaka, Andheri (E), Mumbai-59. Tel No. 022-28594060 Fax No. 022-28503748**

**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:-

S.no	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Wholesale trade of cereals & pulses	46201	29.28
2.	Wholesale trade of Metal & Metal ore	46620	70.72

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – NIL**

There are no holding, Subsidiary and Associate Companies



<b>IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>									
i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	physical	Total	% of total shares	Demat	physical	total	% of total shares	
<b>A.Promoters</b>									
<b>(1) Indian</b>									
g) Individual/ HUF	2365200	0	2365200	47.21	2365200	0	2365200	47.21	0
h) Central Govt									
i) State Govt(s)									
j) Bodies Corp.									
k) Banks / FI									
l) Any Other....									
<b>Sub-total (A) (1):-</b>	2365200	0	2365200	47.21	2365200	0	2365200	47.21	0
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other...									
<b>Sub-total (A) (2):</b>	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A) = (A)(1)+(A) (2)</b>	2365200	0	2365200	47.21	2365200	0	2365200	47.21	0
<b>B. Public Shareholding</b>									
<b>I. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									

<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	8016	0	8016	0.16	10024	0	10024	0.20	0.04
ii) Overseas									
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	77109	261600	338709	6.76	72203	259000	331203	6.61	(0.15)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1421375	861700	2283075	45.57	1426873	861700	2288573	45.68	0.11
<b>c) Others (specify)</b>									
Clearing member									
NRIs	0	15000	15000	0.30	0	15000	15000	0.30	0
<b>Sub-total (B)(2):-</b>	1506500	1138300	2644800	52.79	1509100	1135700	2644800	52.79	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	1506500	1138300	2644800	52.79	1509100	1135700	2644800	52.79	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	
<b>Grand Total (A+B+C)</b>	3871700	1138300	5010000	100	3874300	1135700	5010000	100	

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the beginning of the year			% change in shareholding 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	Alok Virat Shah	711100	14.19	-	711100	14.19	-	0
2	Rajan Sevantilal Shah	880900	17.58	-	880900	17.58	-	0
3	Virat Sevantilal Shah	773200	15.43	-	773200	15.43	-	0
	<b>Total</b>	<b>2365200</b>	<b>47.21</b>		<b>2365200</b>	<b>47.21</b>		<b>0</b>

(iii) Change in Promoters' Shareholding (please specify, if there is no change) - NIL

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
1.	Keyurkumar Sureshbhai Patel				
	At the beginning of the year	354,300	7.07	354,300	7.07
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			-	
	At the End of the year ( or on the date of separation, if separated during the year)			<b>354,300</b>	<b>7.07</b>
2.	Paresh S. Patel				
	At the beginning of the year	150,000	2.99	150,000	2.99
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			-	
	At the End of the year ( or on the date of separation, if separated during the year)			<b>150,000</b>	<b>2.99</b>
3	Bhavna Mehta				
	At the beginning of the year	-	-		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			104,060 (Acquired through transfer)	2.08
	At the End of the year ( or on the date of separation, if separated during the year)			<b>104,060</b>	<b>2.08</b>

4	Rekha Prakash Patel				
	At the beginning of the year	101,000	2.02	101,000	2.02
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			-	
	At the End of the year ( or on the date of separation, if separated during the year)			<b>101,000</b>	<b>2.02</b>
5	Namrata Prakash Patel				
	At the beginning of the year	98,700	1.97	98,700	1.97
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			-	
	At the End of the year ( or on the date of separation, if separated during the year)			<b>98,700</b>	<b>1.97</b>
6	Nitin J Sanghavi				
	At the beginning of the year	76,700	1.53	76,700	1.53
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equit etc):			-	
	At the End of the year ( or on the date of separation, if separated during the year)			<b>76,700</b>	<b>1.53</b>
7	Bhavika Dharmesh Sheth				
	At the beginning of the year	75,500	1.51	75,500	1.51
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			-	
	At the End of the year ( or on the date of separation, if separated during the year)			<b>75,500</b>	<b>1.51</b>
8	Rukshmani Lavji Thakkar				
	At the beginning of the year	70,700	1.41	70,700	1.41

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			-	
	At the End of the year ( or on the date of separation, if separated during the year)			<b>70,700</b>	<b>1.41</b>
<b>9</b>	Mittal Chetan Thakkar				
	At the beginning of the year	68,700	1.37	68,700	1.37
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			-	
	At the End of the year ( or on the date of separation, if separated during the year)			<b>68,700</b>	<b>1.37</b>
<b>10</b>	Ramabhai H Patel				
	At the beginning of the year	67,900	1.36	67,900	1.36
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			-	
	At the End of the year ( or on the date of separation, if separated during the year)			<b>67,900</b>	<b>1.36</b>

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Navin Madhavji Mehta				
	At the beginning of the year	175,000	3.49	175,000	3.49
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			-	
	At the End of the year			<b>175,000</b>	<b>3.49</b>



**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	47,354,909	0		47,354,909
ii) Interest due but not paid	123,581			123,581
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	47,478,490	0		47,478,490
<b>Change in Indebtedness during the financial year</b>				
Addition	64,342,439			64,342,439
Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	111,479,882	0		111,479,882
ii) Interest due but not paid	341,047			341,047
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	111,820,929	0		111,820,929

**XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL***A. Remuneration to Managing Director, Whole-time Directors and/or Manager*

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager		
		Navin Mehta (WTD)	-	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	135,000		135,000
2.	Stock Option	-		

3.	Sweat Equity	-		
4.	Commission - as % of profit -others, specify...			
5.	Others, please specify	-		
	Total	135,000		135,000

*B. Remuneration to other directors: NIL*

*C. Remuneration To Key Managerial Personnel Other Than Md/Manager/Wtd*

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	25,000	-	25,000
2.	Stock Option		-		
3.	Sweat Equity		-		
4.	Commission - as % of profit -others, specify...				
5.	Others, please specify		-		
	Total		25,000		25,000

**XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

SECRETARIAL AUDIT REPORT  
FOR THE YEAR ENDED MARCH 31, 2016

To  
The Members  
Shree Surgovind Tradelink Limited  
Ahmedabad  
Gujarat

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shree Surgovind Tradelink Ltd, (hereinafter called the Company). Secretarial Audit was conducted in the manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representative during the conduct of secretarial audit, I hereby report that in my opinion the Company has during the period covering April 1, 2015 to March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period April 1, 2015 to March 31, 2016 according to the provision of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) act, 1956 (“SCRA”) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not Applicable
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not applicable



I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards Issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with the BSE Limited read with the Listing (Obligations and Disclosure) Regulations, 2015

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned above, except the following observations:

1. The Company did not have a whole time company secretary during the period 01.03.2015 to 28.02.2016, which is a non-compliance of Section 203 of the Companies Act, 2013 for the said period.
2. During the year under review, the Company did not formulate a policy duly approved by the Board of Directors for preservation of documents as required under Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
3. The Company did not during the year under review comply with the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding having in place a policy for determination of materiality, based on criteria mentioned under the said Regulation 30 and disclosing the same on its website.

**I further report that**

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

*The company has formulated a Compliance Management System to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, the implementation of which is ongoing. The adequacy of these systems and processes in the company and their being commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines is subject to our review.*

**I further report that** during the audit period, the company has not undertaken any action having a major bearing on the company's affairs in pursuance of the above referred laws.

Place: Mumbai  
Date: 28<sup>th</sup> June, 2016

A SEKAR  
COMPANY SECRETARY  
ACS 8649 CP 2450

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

*'Annexure A'*

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, followed by me provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records, Books of Accounts and records pertaining to direct and indirect taxation of the company, which I believe are the domain of other professionals on whom the responsibility is entrusted by the provisions of the Companies Act, 2013.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai  
Date: 28<sup>th</sup> June, 2016

ASEKAR  
COMPANY SECRETARY  
ACS 8649 CP 2450

## **CORPORATE GOVERNANCE REPORT**

### **1. Company's Philosophy on the code of Governance:**

The Company's philosophy on Corporate Governance envisages the attainment of the high level of accountability in the functioning of the Company and the conduct of its business internally and externally, including its inter-action with employees, shareholders, creditors, consumers and with the Government departments.

### **2. Board of Directors:**

Composition, Category of Directors and their other Directorships and Committee Memberships:

The present Board consists of four (4) directors. The composition of Board of Directors, the number of other directorship or board committees of which he is a member / Chairman are as under:

Name of Director	Category	Designation	Other Directorships/ Board Committees (Numbers)	
			Directorships	Board Committee
Mr. Navin M. Mehta	Executive Director	Whole time Director	NIL	1
Mrs. Padma Mayur Varadarajan	Independent & Non-Executive Director	Director	NIL	2
Mrs. Swati Bakul Shah	Non Executive & Non Independent Director	Director	NIL	1
Mr. Bharat Ratilal Gandhi	Independent & Non-Executive Director	Director	NIL	2

None of the Directors are disqualified under section 164(2) and rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014

Mr. Navin M. Mehta, Director retire by rotation at the ensuing Annual General Meeting & being eligible offer himself for re-appointment.

### **Board Meetings:**

During the year under review, the Board of Directors met 8 times on **29.05.2015, 22.06.2015, 07.08.2015, 14.11.2015, 28.12.2015, 10.02.2016, 11.03.2016 and 25.03.2016.**



<b>Attendance of current Directors at the Board Meetings and Last Annual General Meeting :</b>		
<b>Name of Director</b>	<b>Board Meetings Attended</b>	<b>Attendance at the Last Annual General Meeting</b>
Mr. Navin M. Mehta	8	Yes
Mr. Padma Mayur Varadarajan	3	No
Mrs. Swati Bakul Shah	3	No
Mr. Bharat Ratilal Gandhi	3	No

No Extra Ordinary General Meeting was held during the year under review.

**3. Audit Committee:**

**i) Terms of Reference:**

During the year under review, the Company re-constituted audit committee as required under section 177 of the Companies Act 2013. The duties of the Audit committee includes reviewing reports of the internal auditor, meeting statutory auditors as and when required and discuss their findings, suggestions, observations and other related matters. It also includes reviewing major accounting policies followed by the company.

**ii) Composition:**

The Audit committee consists of three Directors Mrs. Padma Mayur Varadarajan (Independent Director), Mr. Bharat Gandhi (Independent Director) and Mr. Navin Mehta. Mrs. Padma Mayur Varadarajan has been designated as Chairman of the committee and the Company Secretary acts as the Secretary of the Audit Committee.

**iii) Meetings**

The Audit Committee met four times during the year under review 21.05.2015, 07.08.2015, 14.11.2015 & 10.02.2016.

**4. Nomination & Remuneration Committee:**

The nomination & remuneration committee comprises of three Directors, Mrs. Padma Mayur Varadarajan (Independent Director), Mr. Bharat Gandhi (Independent Director) and Mrs. Swati Shah. Mrs. Padma Mayur Varadarajan has been designated as Chairman of the committee and the Company Secretary of the Company acts as the Secretary of the Nomination & Remuneration Committee. The details of remuneration to the Executive Director / KMP as on 31<sup>st</sup> March, 2016 are as follows:

<b>Name</b>	<b>Designation</b>	<b>Remuneration (per month)</b>
<b>Mr. Navin Mehta</b>	<b>Whole Time Director</b>	<b>45,000/-</b>
<b>Ms. Tanvi Bobhate</b>	<b>Company Secretary</b>	<b>25,000/-</b>

The nomination and remuneration committee has adopted a policy which, interalia, deals with the nomination of the Directors, Senior Management and Key managerial Policy and their remuneration.

The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

Remuneration:

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company.

**5. Performance Evaluation :**

The process approved by the N & R Committee requires the Chairman to initiate the performance evaluation process at the beginning of every financial year. The performance evaluation is conducted based on approved evaluation norms. The process of evaluation is being evolved separately for the Board, its Committees, the directors in each category namely executive and independent directors including Chairman.

**6. Business Risk Policy:**

A Separate Business Risk Policy has been constituted, for creating a Risk Register, identifying internal and external risks and implementing risk mitigation steps. The policy has been formed with the intension to provide regular updates to the Board of Directors about various aspects of the business risks to which the company is or will be exposed.

**7. Shareholders/ Investors Grievance Committee:**

During the year under review, no investor grievance Committee is formed in the company, as the total number of members of the Company does not exceed 1000 in numbers.

**8. Share Transfer Committee:**

The Company has not constituted Share Transfer Committee.



<b>9. Details of Annual General Meeting:</b>			
<b>Financial Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
<b>2014-2015</b>	103/1 1st Floor Angel Complex B/H Bluestar Complex Navjeevan Ahmedabad 380014	29/09/2015	11.00 a.m.
<b>2013 - 2014</b>	103/1 1st Floor Angel Complex B/H Bluestar Complex Navjeevan Ahmedabad 380014	22/09/2014	11.00 a.m
<b>2012– 2013</b>	103/1 1st Floor Angel Complex B/H Bluestar Complex Navjeevan Ahmedabad 380014	10/08/2013	3.00 p.m

Resolutions set out in the respective notices were passed by the Shareholders. Also there was a resolution for shifting the Registered office of the Company from the State of Ahmedabad to the State of Maharashtra put through postal ballot during the year under review. Mr. A.Sekar was appointed as a Scrutinizer and results of the postal Ballot was declared on 01.06.2015.

There is no business at the ensuing AGM requiring implementation of the postal ballot under the applicable rule.

**10. Disclosures:**

i) Disclosures on materially significant related party transactions that may have potential conflict with the interest of Company at large.

The Register of related party contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Disclosures from senior management staff have been obtained to the effect that they have not entered into any material, financial and commercial transactions where they have personal interest that may have potential conflict with the interest of the company at large.

Transactions with the related parties are disclosed in the Directors Report (Form AOC 2) and in the notes to accounts forming part of the Annual Report.

ii) Details of non-compliance by the Company, penalties and strictures imposed on the Company by SEBI, ROC, Stock Exchange or any other statutory authorities on any matter related to capital market during the last 3 financial years -

During the financial year ended 31<sup>st</sup> March, 2015, SEBI passed an adjudication order pursuant to SEBI (Substantial Acquisition of Shares and Takeover) Regulations imposing a penalty of Rs. 6 lakhs on the company. An appeal preferred by the company was dismissed by the SEBI Appellate Tribunal and the company has paid the amount of penalty during the financial year ended 31<sup>st</sup> March, 2015.

iii) There is a Vigil Mechanism in the Company and that no personnel has been denied access to the Audit Committee.



iv) The CEO/CFO certification forms part of this Annual Report.

**11. Means of Communication:**

- Quarterly results are sent to stock exchanges after they are approved by the Board and are also published in the newspapers.
- Website of the Company is updated with all the required records.
- No presentation has been made to Institutional Investors or to analysts.
- The Management Discussion and Analysis Report are attached with the Director's report in this Annual Report.

**8. General Shareholder Information:**

**I. Annual General Meeting**

Date and Time : 4<sup>th</sup> August, 2016 at 4.00 P.M  
Venue : 103/1, 1<sup>st</sup> Floor, Angel Complex, Behind  
Bluestar Complex, Navjeevan,  
Ahmedabad – 380014

**II. Financial Calendar 2015-2016 (Tentative and subject to change)**

Results for the quarter ending June 30, 2016 : First week of August, 2016  
Results for the quarter ending September 30, 2016 : First week of November, 2016  
Results for the quarter ending December 31, 2016 : First Week of February, 2017  
Results for the quarter ending March 31, 2017 : Last Week of May 2017

**III. Book Closure Date : 29<sup>th</sup> July, 2016 to 4<sup>th</sup> August, 2016**  
(Both days inclusive for the purpose of the Annual General Meeting)

**IV. Registered Office :** 103/1, 1<sup>st</sup> Floor, Angel Complex, Behind  
Bluestar Complex, Navjeevan,  
Ahmedabad – 380014

**V. Dividend Payment Date :** No dividend is recommended for the  
Financial year 2015-2016

**VI. Listing of Equity Shares on Stock Exchange**

Your Company's equity shares are listed on Ahmedabad Stock Exchange Limited, Kamdhenu Complex, Opp. Sahjanand College, Panjarapole, Ahmedabad - 380015 and Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400023. Our shares are also in demat mode with NSDL & CDSL. The Company has paid Annual Listing Fees to both the Stock Exchanges within the stipulated time.

**VII. Stock Code:**

- a) The Stock Exchange, Ahmedabad : 52666
- b) Bombay Stock Exchange Ltd. : 531667
- c) Demat ISIN in NSDL and CDSL for Equity Shares : INE117K01013

**VIII. Share transfer System**

Shares sent for physical transfer are registered and returned within a period of 30 days from the date of receipt, where the documents are clear in all respects. We have appointed Adroit Corporate Services Pvt. Ltd. as a Registrars & Share Transfer Agents of the Company.

**IX. Distribution of Shareholding:**

No. of Equity Shares held	As on 31 <sup>st</sup> March, 2016			
	No. of Shareholders	% of Shareholders	Total No. of Shares Held	% of Shareholding
1 - 100	40	10.52	2045	0.04
101 - 500	73	19.21	32809	0.65
501 - 1000	182	47.89	142898	2.87
1001 – 2000	9	2.36	13875	0.45
2001 – 3000	16	4.21	43000	0.86
3001 – 4000	5	1.31	17300	0.27
4001 – 5000	3	0.79	15000	0.30
5001 - 10000	10	2.64	74300	1.48
10001 & 20000	7	1.85	96915	1.93
20001 & 50000	15	3.95	583798	13.58
50001 & Above	20	5.27	3988060	77.57
<b>TOTAL</b>	<b>380</b>	<b>100.00</b>	<b>5010000</b>	<b>100.00</b>

**X. Shareholding Pattern (as on 31<sup>st</sup> March, 2016):**

Category of Holder	No. of Shares	% of Equity
Promoters / Person acting in concert	2365200	47.21%
Banks / Financial Institutions	0	0
Corporate Bodies	10024	0.20%
Indian Public	2619776	52.29%
NRIs	15000	0.30%

No funds have been raised from the public during the last three years.

**XII. Outstanding GDR / ADRs / Warrants and Convertible bonds, conversion date and likely impact on the equity:**

The Company has not issued any GDRs, ADRs during the year.

**XIII. Reconciliation of Share Capital**

The Company has also conducted audit of reconciliation relating to the share capital for every quarter.

**XIV. Investors' correspondence may be addressed to:**

**Adroit Corporate Services Pvt. Ltd.**  
**(Unit: Shree Surgovind Tradelink Limited)**  
19/20, Jaferbhoy Industrial Estate,  
1<sup>st</sup> Floor, Makwana Road, Marolnaka,  
Mumbai – 400 059

Tel No. : (022) – 28596060  
Fax No. : (022) – 28503748  
E-mail Id: adroits@vsnl.net

**Certificate of Whole Time Director under Companies Act, 2013 regarding compliance with Code of Conduct.**

The Board of Directors  
Shree Surgovind Tradelink Limited

In accordance with the Companies Act, 2013 I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the 12 months period April 1, 2015 to March 31, 2016.

**For Shree Surgovind Tradelink Ltd.**

**Navin Mehta**  
**Whole –Time Director**

Place: Mumbai  
Date: 28<sup>th</sup> June, 2016



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

The financial year 2015-2016 was a year of 7.6% GDP growth and rising inflation in the Indian economy. Industrial growth was probably at its lowest level for more than a decade. The performance of your company was satisfactory in terms of turnover achieved by the company compared to last year.

### **OPPORTUNITIES AND THREATS**

The Company is taking all possible steps to grab the opportunities for the growth of the Company.

The risk associated with the business be it external or internal affects the performance of the company in a long run. Competition and economic conditions prevailing all over may affect the business of the company.

### **FUTURE OUTLOOK**

The overall economic scenario of the industry expected to be good and accordingly, your Company is also expected to do well in the coming years. The demand and supply of the products in market may affect the performance of the company. The Company is striving hard to meet the demands of the market with the available limited resources. The company is striving hard to achieve the desired results.

### **RISKS AND CONCERNS**

In the normal course of business, the Company is exposed to external risks such as overall demand fluctuations in the industry in which it operates, relative market shares for its products due to the impact of competition as well as internal risks.

The Company is taking appropriate steps to guard itself against these risks by a suitable product positioning strategy. The risk associated with the products of the Company is always a cause of concern for the Company.

### **INTERNAL CONTROL SYSTEMS**

The Company has adequate internal control procedures commensurate with the size of the company and nature of its business. The internal control system is continuously reviewed by the management to ensure orderly and efficient conduct of business. The system emphasis on the functions of purchase, sales, finance etc. to adhere to the well-defined corporate policies.

### **DIRECT COSTS**

The main direct cost is the operational costs associated with the activities of the company. All efforts are being made to control the costs.

### **FINANCIAL CONDITION**

The Share capital of the Company remained the same as was in the previous financial year.

### **MANAGEMENT'S RESPONSIBILITY STATEMENT**

The management is responsible for preparing the Company's financial statements and related information that appear in this Annual Report. The management believes that these financial statements fairly reflect the form and substance of transactions, and reasonably represent the Company's financial condition and results of operations in conformity with Indian Generally Accepted Accounting Principles.

Independent auditors' report to the shareholders of **Shree Surgovind Tradelink limited** for the year ended March 31, 2016

**To the Members of**

**Shree Surgovind Tradelink limited**

**1. Report on the financial statements**

We have audited the accompanying Standalone financial statements of **SHREE SURGOVIND TRADELINK LIMITED** (the 'Company') which comprises of Balance Sheet as at March 31, 2016 and also the Statement of Profit and Loss account and Cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**2. Management's Responsibility for the financial statements**

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone 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 Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provision of the Act, for safeguarding 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of 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.

**3. Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone 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 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 disclosures in the financial statements. The procedure selected depends 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 control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's management, and Board of 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 Standalone financial statements

#### **4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 March 31, 2016 its loss and its cash flows for the year ended on that date.

#### **5. Emphasis of Matter**

We draw attention to Note 27 to the financial statements in respect of Debit or Credit balances on whatever account are subject to confirmation from parties/authorities concerned and *Note 28* to the financial statements relating to **the Case against the Company / Directors by Registrar of Companies (ROC).**

*The hearing has been completed and interim order has been passed by the Company Law Board condoning the offences subject to payment of Rs.50000 by each defaulter. The final order is yet to be received by the company. However the matters pertaining to section 628 of the erstwhile Companies Act, 1956 is still to be resolved.*

Hence no contingent liability had been made for the same in respect of the amount likely to materialize in the near future. In the opinion of the Management, as per strong defense presented to the authorities, the outcome is likely to be favourable. ***Our opinion is not modified in respect of the above matters.***

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

As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') as amended, issued by the 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 said order.

As required by section 143(3) of the Act, we report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit



- In our opinion, proper books of accounts, as required by law have been kept by the company, so far as it appears from our examination of the books;
- 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;
- In our opinion, the aforesaid Standalone financial statements comply with the applicable Accounting standards specified under the 133 of the Act read with the Rule 7 of the Companies (Accounts) Rules 2014;
- On the basis of written representation received from the directors, as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms, of section 164(2) of the Act;
- 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
- In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
  - The Company has disclosed the impact of pending litigations as at March 31, 2016 on its financial position in its financial statements. (Refer note 25 of the Financial Statements);
  - The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise and;
  - There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

For P.P.Jayaraman & Co.  
Chartered Accountants  
Firm Registration Number: 104139W

P.P.Jayaraman  
Proprietor  
Membership Number: 041354.

Mumbai, 30<sup>th</sup> May, 2016

### **“Annexure A” to the Independent Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

***On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that;***

1. In respects of the Company's **fixed assets**:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management at all locations at reasonable intervals. As informed to us no material discrepancies were noticed on such verification.
  - (c) As the Company does not hold any immovable properties, the reporting requirement as to title deed are not applicable to the company and hence are not commented upon.
2. In respect of the Company's **inventories**:
  - (a) The Management has conducted the physical verification of inventory at reasonable intervals.
  - (b) As explained to us, the discrepancies, if any noticed on physical verification of the inventory as compared to books records which have been properly dealt with in the books of account were not material.
3. 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 Act.
4. 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 Companies Act, 2013 in respect of grant of loans, making investments, and providing guarantees and securities, if any, as applicable.
5. The Company has not accepted any deposits during the year and does not have any unclaimed deposit as at March 31, 2016, and therefore the provisions of the clause 3(v) of the order are not applicable to the Company.
6. Reporting under clause 3(vi) of the order is not applicable as the Company's business are not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. According to the information and explanations given to us, in respect of **statutory dues**,
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and other material statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities. However there have been some delays.



(b) According to the information and explanations given to us, the disputed dues in respect of income tax, which have not been deposited are as follow:

Name of the Statute	Nature of Dispute	Amount(₹)	Period (AY) for which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Tax and Interest	434,700	2011-12	Commissioner of IT (Appeals) -XIV, Ahmedabad, Gujarat
The Income Tax Act, 1961	Tax and Interest	162,020	2012-13	Commissioner of IT (Appeals) -XIV, Ahmedabad, Gujarat
The Income Tax Act, 1961	Tax and Interest	317,150	2013-14	Commissioner of IT (Appeals) -XIV, Ahmedabad, Gujarat
The Maharashtra	Tax and Interest	213,161	2008-09	Deputy Commissioner of Sales VAT ,2002 Tax ( E817), (Appeals), Business Audit 3, Mumbai.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institutions and banks. Further in our opinion and according to information and explanations given to us, the Company did not have any amount outstanding to debenture holders or non-financial banking institutions.
9. The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term Loans and hence reporting under clause 3 (ix) of the Order is not applicable.
10. To the best of our knowledge and 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 year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the Company is compliant with Section 177 and 188 of Companies Act, where applicable for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
14. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.



15. In our opinion and according to the information and explanations given to us, during the year, the company has not entered into any non-cash transactions with directors or persons connected with to its Directors and hence the provisions of clause 3 (xv) of the Order is not applicable to the Company.
16. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934

For P.P.Jayaraman & Co.  
Chartered Accountants  
Firm Registration Number: 104139W

P.P.Jayaraman  
Proprietor  
Membership Number: 041354.

Mumbai, 30<sup>th</sup> May, 2016

**“Annexure B” to the Independent Auditor's Report of even date on the Standalone Financial Statements of Shree Surgovind Tradelink limited**

**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 Shree Surgovind Tradelink Limited ('the Company') as of March 31, 2016 in conjunction with our audit of the standalone 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 (the 'Guidance Note'). 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 Standards on Auditing prescribed under section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. 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 standalone 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 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, to the best of our information and according to the explanations given to us, 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 March 31, 2016, 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.

For P.P.Jayaraman & Co.  
Chartered Accountants  
Firm Registration Number: 104139W

P.P.Jayaraman  
Proprietor  
Membership Number: 041354.

Mumbai, 30<sup>th</sup> May, 2016



<b>SHREE SURGOVIND TRADELINK LTD</b>			
<b>Balance Sheet as at March 31, 2016</b>			
		₹	₹
	<b>Notes</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	<b>3</b>	50,100,000.00	50,100,000.00
Reserves and surplus	<b>4</b>	(19,810,504.17)	(8,151,836.89)
<b>Non-current liabilities</b>			
Long-term borrowings	<b>5a</b>	-	1,121,672.65
Deferred tax liabilities (net)	<b>6</b>		
<b>Current liabilities</b>			
Short-term borrowings	<b>5b</b>	111,820,928.99	46,356,816.98
Trade payables	<b>7</b>	169,901,403.18	288,293,087.15
Other Current liabilities	<b>8</b>	(272,965.96)	(362,120.55)
Short term Provision	<b>o</b>	7,420,000.00	7,420,000.00
		<b>319,158,862.04</b>	<b>384,777,619.34</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible	<b>10</b>	1,206,002.81	1,846,785.76
Long-term loans and advances	<b>11a</b>	30,883,308.33	24,155,372.03
Non-Current investments	<b>12</b>	6,900,131.00	5,746,366.00
Deferred tax assets (net)	<b>6</b>	227,145.00	139,479.00
<b>Current assets</b>			
Inventories	<b>13</b>	178,954,002.95	180,379,140.67
Trade receivables	<b>14</b>	78,713,963.16	155,576,784.52
Cash and bank balances	<b>15</b>	33,169.79	1,128,840.56
Short-term loans and advances	<b>11b</b>	22,241,139.00	15,804,850.80
		<b>319,158,862.04</b>	<b>384,777,619.34</b>
<b>See accompanying notes forming part of F/S</b>	<b>2</b>	-	-
As per our Report of even date attached <b>For P P JAYARAMAN &amp; CO</b> Chartered Accountants FRN 104139 W		<b>For Shree Surgovind Tradelink Limited</b>	
	Navin Mehta, WTD	Padma MV, Director	
<b>P P JAYARAMAN</b> <b>Proprietor (M No. 041354)</b> Mumbai 30th May, 2016		Tanvi Bobhate, Company Secretary Mumbai 30th May, 2016	

<b>SHREE SURGOVIND TRADELINK LTD</b>			
<b>Statement of Profit and Loss for the year ended March 31, 2016</b>			
		₹	₹
	Notes	2016	2015
<b>Continuing operations</b>			
Revenue from operations	16	589,964,249.68	546,947,570.15
Other Incomes	17	2,598,413.25	4,760,842.62
<b>Total</b>	<b>i</b>	<b>592,562,662.93</b>	<b>551,708,412.77</b>
<b>Expenses</b>			
Purchases of stock in Trade and direct expenses	18	576,376,018.93	469,385,363.30
Change in inventories of finished goods		1,425,137.72	66,122,840.13
Employee benefits expense	19	570,864.00	485,067.00
Other expenses	20	3,579,291.43	5,190,371.61
Finance costs	21	21,716,901.18	39,499,409.53
Depreciation and amortisation	22	640,782.95	1,109,806.33
<b>Total</b>	<b>ii</b>	<b>604,308,996.21</b>	<b>581,792,857.90</b>
<b>Profit before exceptional &amp; extraordinary items</b>	<b>iii=i-ii</b>	<b>(11,746,333.28)</b>	<b>(30,084,445.13)</b>
Exceptional items			-
<b>Profit/(Loss) before extraordinary items &amp; tax</b>		<b>(11,746,333.28)</b>	<b>(30,084,445.13)</b>
Extraordinary items		-	-
<b>Profit / (Loss) before tax</b>		<b>(11,746,333.28)</b>	<b>(30,084,445.13)</b>
<b>Tax expenses / (savings)</b>	<b>23</b>	<b>87,666.00</b>	<b>(226,633.00)</b>
<b>Profit / (Loss) from continuing operations</b>		<b>(11,658,667.28)</b>	<b>(29,857,812.13)</b>
<b>Earnings per share (of Rs. 10/- each):</b>	<b>24</b>		
(a) Basic		<b>(2.33)</b>	<b>(5.96)</b>
(b) Diluted		<b>(2.33)</b>	<b>(5.96)</b>
As per our Report of even date attached			
For P P JAYARAMAN & CO		For Shree Surgovind Tradelink Limited	
Chartered Accountants			
FRN 104139 W			
		Navin Mehta, WTD	Padma MV, Director
<b>P P JAYARAMAN</b>			
<b>Proprietor (M No. 041354)</b>		Tanvi Bobhate, Company Secretary	
Mumbai 30th May, 2016		Mumbai 30th May, 2016	

<b>Shree Surgovind Tradelinks Limited</b>			
		₹	₹
<b>Cash Flow Statement</b>		<b>31 March 2016</b>	<b>31 March 2015</b>
<b>Cash flow from operating activities</b>			
Net Profit/(Loss) as Per Profit & Loss Account before tax		(11,746,333.28)	(30,084,445.13)
<b>Non-cash adjustments to reconcile profit before tax to net cash flows</b>			
Depreciation / amortization on continuing operation		640,782.95	1,109,806.33
Taxes Adjustment towards excess prov w/back			
Finance expenses		1,656,122.10	-
Unrealized foreign exchange fluctuation		1,900,520.70	-
Custom Duty Adjustments		(8,842,398.30)	
Interest (incomes)		(356,482.00)	(382,528.00)
<b>Operating Profit before Working Capital changes</b>		<b>(16,747,787.83)</b>	<b>(29,357,166.80)</b>
<b>Movements in working capital :</b>			
Increase/(decrease) in short-term borrowings		65,464,112.01	(79,482,474.21)
Increase/(decrease) in trade payables		(121,948,326.77)	164,851,183.87
Increase/(decrease) in other current liabilities		89,154.59	(1,559,338.48)
Increase/(decrease) in short-term provision			-
(Increase)/decrease in Inventories		1,425,137.72	66,122,840.13
(Increase)/decrease in Receivables		76,862,821.36	(89,680,437.96)
(Increase)/decrease in trade advances		(6,436,288.20)	11,112,139.00
Increase/(decrease) in term loans and advances		2,114,462.00	(23,551,798.55)
<b>Cash generated from/ (used in) operations</b>		<b>823,284.88</b>	<b>18,454,947.00</b>
Less : Income Taxes Paid			792,003.00
<b>Net cash flow from/ (used in) operating activities</b>	<b>A</b>	<b>823,284.88</b>	<b>17,662,944.00</b>
<b>Cash flow from investing activities</b>			
Purchase of Fixed Assets			-
(Invested)/Maturity of non-current investments		(797,283.00)	(521,675.00)
Interest received		-	181,555.00
<b>Net cash flow from/ (used in) investing activities</b>	<b>B</b>	<b>(797,283.00)</b>	<b>(340,120.00)</b>
<b>Cash flow from financing activities</b>			
Proceeds from long term borrowings		(1,121,672.65)	
Repayment of long term borrowings			(19,570,979.00)
Finance Cost			
<b>Net cash flow from/ (used in) financing activities</b>	<b>C</b>	<b>(1,121,672.65)</b>	<b>(19,570,979.00)</b>
<b>Net Increase in Cash &amp; Cash equivalents</b>	<b>A+B+C</b>	<b>(1,095,670.77)</b>	<b>(2,248,155.00)</b>
Cash & Cash Equivalents at the beginning of the year		1,128,840.56	3,376,995.56
<b>Cash &amp; Cash Equivalents at the end of the year</b>		<b>33,169.79</b>	<b>1,128,840.56</b>
<b>Components of Cash &amp; Cash equivalents</b>			
Cash on Hand		26,832.85	1,122,503.62
With banks on current account		6,336.94	6,336.94
<b>Total Cash &amp; Cash equivalents (note 15)</b>		<b>33,169.79</b>	<b>1,128,840.56</b>
<b>For P P JAYARAMAN &amp; CO</b>		<b>For Shree Surgovind Tradelink Limited</b>	
Chartered Accountants			
FRN 104139 W		Navin Mehta,WTD	Padma MV, Director
<b>P P JAYARAMAN</b>			
<b>Proprietor (M No. 041354)</b>		Tanvi Bobhate, Company Secretary	
Mumbai 30th May, 2016		Mumbai 30th May, 2016	



Shree Surgovind Tradelinks Limited		₹	₹
Notes to financial statement		31 March 2016	31 March 2015
<b>3 Share capital</b>			
<b>Authorised</b>			
60,00,000 (Prev year 60,00,000) Equity Shares of ₹ 10 each		60,000,000.00	60,000,000.00
<b>Issued, Subscribed &amp; Fully paid up</b>			
50,10,000 (Prev year 50,10,000) Equity Shares of ₹ 10 each		50,100,000.00	50,100,000.00
All the Shares issued are allotted for cash; Only one class of equity shares of ₹ 10 per share			
<b>a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>			
<b>Equity Shares</b>		<b>Nos</b>	<b>Nos</b>
At the beginning of the period		5,010,000.00	5,010,000
Issued during the period		-	-
<b>Outstanding at the end of the period</b>		<b>5,010,000.00</b>	<b>5,010,000</b>
<b>Equity Shares</b>			
At the beginning of the period		50,100,000.00	50,100,000.00
Issued during the period		-	-
<b>Outstanding at the end of the period</b>		<b>50,100,000.00</b>	<b>50,100,000.00</b>
<b>b. Terms/rights attached to equity shares</b>			
The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends if any in Indian rupees. The dividend proposed if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing AGM.			
<b>c. Details of shareholders holding more than 5% shares in the company</b>			
<b>Name of the Shareholder</b>		<b>31 March 2016</b>	<b>31 March 2015</b>
Virat S Shah		773,200	773,200
Rajan S Shah		880,900	880,900
Alok V Shah		711,100	711,100
Keyur Patel		354,300	354,300
<b>In Percentage</b>		<b>31 March 2016</b>	<b>31 March 2015</b>
Virat S Shah		15.43%	15.43%
Rajan S Shah		17.58%	17.58%
Alok V Shah		14.19%	14.19%
Keyur Patel		7.07%	7.07%
<b>4 Reserves &amp; Surplus</b>			
<b>(a) Surplus / (Deficit) in Statement of Profit and Loss</b>			
Opening balance		(8,151,836.89)	21,776,770.72
Add: Current Year Profit / (Loss)		(11,658,667.28)	(29,857,812.13)
Add/(Less): Adjustment in accordance with transitional provision			(70,795.48)
<b>Total</b>		<b>(19,810,504.17)</b>	<b>(8,151,836.89)</b>
<b>5 a) Long Term Borrowings</b>		<b>Non-Current</b>	<b>Non-Current</b>
1 Term Loan-From HDFC Bank (secured) car loan		-	1,121,672.65
2 Advances from Related Parties (unsecured)		-	-
<b>Total</b>		<b>-</b>	<b>1,121,672.65</b>
<b>5.1 Additional Information to Secured/Unsecured Long term borrowings</b>			
The long term portion of term loans are shown under long term borrowings and the current maturities of the long term borrowing, if any are shown under the current liabilities as per the disclosure requirements of the Revised Schedule II			
<b>5 b) Short Term Borrowings</b>		<b>Current</b>	<b>Current</b>
Cash Credit-From Banks-(secured)		111,820,928.99	46,356,816.98
Loans from Related Parties-(Unsecured)		-	-
<b>Total</b>		<b>111,820,928.99</b>	<b>46,356,816.98</b>
<b>6 Deferred Tax Liabilities/Assets (Net)</b>			
Deferred Tax (Liability)/assets for the year end been provided on the estimated tax computation for the year			
<b>a Deferred Tax Liability</b>			
Depreciation			103,679.00
Others, if any			(16,525.00)
<b>Total</b>		<b>-</b>	<b>87,154.00</b>
<b>b Deferred Tax Assets</b>			
Depreciation		227,145.00	226,633.00
<b>Total</b>		<b>227,145.00</b>	<b>226,633.00</b>
<b>Net Difference</b>		<b>227,145.00</b>	<b>139,479.00</b>

Notes to financial statement		31 March 2016	31 March 2015
<b>7</b>	<b>Trade payables</b>		
	Trade Payables from Other than Micro, Small & Medium Entps	168,440,094.04	287,556,891.15
	Other payables ( for expenses)	1,461,309.14	736,196.00
	<b>Total</b>	<b>169,901,403.18</b>	<b>288,293,087.15</b>
<b>7.1</b>	<b>Detail of Securities :-</b> The facility from Union Bank of India is secured by hypothecation of assets and personal guarantee of the directors and relatives.		
<b>8</b>	<b>Other Current liabilities ( TDS and VAT)</b>	(272,965.96)	(362,120.55)
<b>9</b>	<b>Short-Term Provisions ( Income Tax Provisions of earlier years)</b>	7,420,000.00	7,420,000.00
<b>11</b>	<b>Loans and advances given</b>		
<b>a</b>	<b>Unsecured, Considered Good</b>	<b>Long-Term</b>	<b>Long-Term</b>
	Security Deposits	1,053,406.00	2,497,050.00
	Trade Advances	11,550,000.00	11,550,000.00
	Advance Income taxes	8,443,104.09	8,390,216.09
	Sales tax Refund	436,632.84	436,632.84
	Special Additional duty refund	9,400,165.40	1,281,473.10
	<b>Total</b>	<b>30,883,308.33</b>	<b>24,155,372.03</b>
<b>b</b>	<b>Unsecured, Considered Good</b>	<b>Short-Term</b>	<b>Short-Term</b>
	Prepaid Expenses	90,514.00	61,798.00
	Trade Advances	22,150,625.00	12,350,625.00
	Loans & Advances to Employees	-	21,716.00
	Excise Duty Receivable	-	3,370,711.80
	<b>Total</b>	<b>22,241,139.00</b>	<b>15,804,850.80</b>
<b>12</b>	<b>Non-Current investments</b>		
<b>a</b>	Deposits with bank-maturity-for more than 12 months	6,900,131.00	5,746,366.00
	<b>Total</b>	<b>6,900,131.00</b>	<b>5,746,366.00</b>
<b>13</b>	<b>Inventories- (As taken, valued and certified by the management)</b>		
	Goods for resale at cost	178,954,002.95	180,379,140.67
	<b>Total</b>	<b>178,954,002.95</b>	<b>180,379,140.67</b>
<b>14</b>	<b>Trade Receivables</b>		
	<b>Unsecured, Considered Good</b>		
	Outstanding for less than six months	77,610,533.98	151,131,942.89
	Others	1,103,429.18	4,444,841.63
	<b>Total</b>	<b>78,713,963.16</b>	<b>155,576,784.52</b>
<b>15</b>	<b>Cash and bank balances</b>		
	Cash on Hand	26,832.85	1,122,503.62
	Balance with bank in Current accounts	6,336.94	6,336.94
	<b>Total</b>	<b>33,169.79</b>	<b>1,128,840.56</b>
<b>16</b>	<b>Revenue from Operations</b>		
	<b>Sales of Products: Finished Goods</b>	589,964,249.68	546,947,570.15
	<b>Total; Further classification</b>	<b>589,964,249.68</b>	<b>546,947,570.15</b>
	Indigenous	589,964,249.68	452,638,073.95
	Exports	-	94,309,496.20
	<b>Particulars of Sale of Products: -</b> The company is engaged in import exports business as well as in local trading for which they trade goods both in indigenous and imported goods, and consequent export of the same.		
<b>17</b>	<b>Other Incomes</b>		
	Discount Received	735,660.25	21,660.00
	Exports Incentive/duty drawbacks	-	91,438.00
	Interest on Term Deposits	525,415.00	573,084.00
	Interest-Others,.	13,413.00	101,238.00
	Miscellaneous Income	3,925.00	3,973,422.62
	Rent from Car (including prior years)	1,320,000.00	-
	<b>TOTAL</b>	<b>2,598,413.25</b>	<b>4,760,842.62</b>

Shree Surgovind Tradelink Limited  
Fixed Assets Schedule to and forming part of balance sheet as at 31st March 2016

SR NO	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK				
		AS AT 1-Apr-2015	Additions	Deductions	AS AT 31-Mar-2016	UPTO 1-Apr-2015	FOR THE YEAR	Deductions	Adjustment to Reserves	UPTO 31-Mar-2016	AS AT 31-Mar-2016	AS AT 31-Mar-2015
I	Plant & Machinery	3,680,248.00	-	-	3,680,248.00	1,994,953.42	590,156.10	-	-	2,585,109.52	1,095,138.48	1,685,294.58
II	Furniture & Fixtures	590,236.00	-	-	590,236.00	573,985.03	-	-	-	573,985.03	16,250.97	16,250.97
III	Computers, etc	748,545.00	-	-	748,545.00	603,304.79	50,626.83	-	-	653,931.62	94,613.38	145,240.21
	<b>TOTAL</b>	<b>5,019,029.00</b>	<b>-</b>	<b>-</b>	<b>5,019,029.00</b>	<b>3,172,243.24</b>	<b>640,782.93</b>	<b>-</b>	<b>-</b>	<b>3,813,026.17</b>	<b>1,206,002.83</b>	<b>1,846,785.76</b>
	<b>PREVIOUS YEAR</b>	<b>5,019,029.00</b>	<b>-</b>	<b>-</b>	<b>5,019,029.00</b>	<b>1,991,641.44</b>	<b>1,109,806.33</b>	<b>-</b>	<b>70,795.48</b>	<b>3,172,243.25</b>	<b>1,846,785.75</b>	<b>3,558,016.57</b>



Notes to financial statement		31 March 2016	31 March 2015
<b>18</b>	<b>Purchase of Stock in Trade and direct expenses</b>		
<b>a</b>	Purchases	573,671,355.78	468,389,689.61
	ADD: Direct Expenses	2,704,663.15	995,673.69
		<b>576,376,018.93</b>	<b>469,385,363.30</b>
<b>b</b>	<b>Change in inventories of finished goods</b>		
	Stock at close	178,954,002.95	180,379,140.67
	Stock at commencement	180,379,140.67	246,501,980.80
		<b>1,425,137.72</b>	<b>66,122,840.13</b>
<b>19</b>	<b>Employee benefit expenses</b>		
	Salary & Bonus	528,784.00	485,067.00
	Staff Welfare	42,080.00	-
		<b>570,864.00</b>	<b>485,067.00</b>
<b>20</b>	<b>Other Expenses</b>		
	Rent	326,662.50	522,000.00
	Repairs to Others	41,300.00	9,612.00
	<b>Auditors' Remuneration</b>		
	Services as statutory auditors(including quartely audits/review)	110,000.00	110,000.00
	Income tax matters	29,500.00	50,000.00
	Certification fees	13,500.00	-
	Tax Audit	110,000.00	110,000.00
	Insurance charges ( See Note below)	114,787.00	584,466.05
	Legal and professional fees	1,034,907.00	514,250.00
	Office expenses	28,969.00	8,090.00
	Listing and other charges	329,782.00	906,452.00
	Post,telegram , telephone and couriers expenses	20,592.00	71,090.32
	Printing and stationery expenses	52,450.00	54,045.00
	Rates and Taxes	695,089.50	1,122,860.91
	Transport expenses (See Note below)	-	742,067.00
	Tour and travels	-	224,747.60
	Bad Debts	373,454.00	-
	Advertisement	126,000.00	144,075.00
	Commission and Brokerage	128,909.50	10,500.00
	Discount Given	43,388.93	6,115.73
	<b>TOTAL</b>	<b>3,579,291.43</b>	<b>5,190,371.61</b>
<b>21</b>	<b>Finance Costs</b>		
	Interest Expenses	14,001,768.17	21,704,227.18
	Other Borrowing costs-Finance Charges/Bank Charges	5,814,612.31	16,005,211.48
	Applicable net gain/loss on foreign currency transactions and translation.	1,900,520.70	1,789,970.87
		<b>21,716,901.18</b>	<b>39,499,409.53</b>
<b>22</b>	<b>Depreciation and amortization expense</b>		
	Depreciation on tangible assets	640,782.93	1,109,806.33
	Amortization on intangible assets	-	-
		<b>640,782.93</b>	<b>1,109,806.33</b>
<b>Note</b>	<i>The company has changed the system of grouping the expenses on account of transport and insurance charges which are now being grouped under Direct Expenses instead of under "Other Expenses" as in earlier years.</i>		

Notes to financial statement	31 March 2016	31 March 2015
<b>23 Tax expenses</b>		
a Current tax expenses/(savings) for current year		
b (Less) MAT credit (where applicable)		-
c Add/(Less) Excess/(Short) provisions		
d Net current tax expense	-	-
e Deferred tax	(87,666.00)	(226,633.00)
	<b>(87,666.00)</b>	<b>(226,633.00)</b>
<b>24 Earning Per Share</b>		
A. Profit/(Loss) Computation for basis earnings per share of ₹ 10 each PAT as per Stat of Profit & loss available to Equity Sh.holders	(11,658,667.28)	(29,857,812.13)
B. Weighted average number of Equity shares for EPS computation	5,010,000.00	5,010,000.00
C. EPS (weighted average)		
Basic EPS (before and after Extraordinary items)	(2.33)	(5.96)
<b>25 Contingent liabilities</b>		
a Bank Guarantee issued	-	-
b Letters of Credit outstanding (including Local LCs)	168,313,404.91	160,316,969.76
c Claims against the company not acknowledged as debts	913,870.00	596,720.00
Disputed dues in respect of income tax		
The Income-tax assessments of the Company have been completed upto the accounting year ended 31.3.2013		
For AY 2011-12	434,700.00	434,700.00
For AY 2012-13	162,020.00	162,020.00
For AY 2013-14	317,150.00	-
	<b>913,870.00</b>	<b>596,720.00</b>
<b>26</b> The Company has a single segment namely "Commodity Trading and Distribution", Therefore the company business does not fall under different segments as defined by AS-17-"Segment Reporting" issued by ICAI.		
<b>27</b> Debit or Credit balances on whatever account are subject to confirmation from parties/authorities concerned. However in the opinion of the Management, these amounts are realisable and payable at the amount stated in the Company's accounts.		
<b>28 Case against the Company/Directors by ROC/SEBI</b>		
With reference to the above, as already mentioned in the preceeding i.e. 20th Annual Report ended March 31, 2015, the cases are sub-judice and as informed to us the former directors of the company have subsequent to the year-end filed for compounding of offence with Company Law Board, Western Region, Mumbai/ Regional Director, North western Region, Ahmedabad. The hearing has been completed and interim order has been passed by the Company Law Board condoning the offences subject to payment of Rs.50000 by each defaulter. The final order is yet to be received by the company. However the matters pertaining to section 628 of the erstwhile Companies Act, 1956 is still to be resolved.		

**29 (i) Additional information pursuant to the provisions of Schedule VI to the companies Act, 2013**

	Class of Goods	Units	Quantity			₹	
			Opening Stock	Purchases	Sales	Closing Stock	Closing Stock
2016	Commodities	Kilograms	1,441,109.31	-	1,416,147.79	24,961.52	1,555,498.84
2015			2,476,567.02	562,216.91	1,597,674.62	1,441,109.31	175,805,633.67
2016	Steel	Metric Tonnes	556.565	17,693.224	12,997.304	5,252.485	177,398,504.11
2015			60.050	12,221.942	11,725.427	556.565	2,552,125.00
2016	Machines	Number	-	-	-	-	-
2015			1.00	-	1.00	-	2,021,382.00
2016	Total						<b>178,954,002.95</b>
2015	Total						<b>180,379,140.67</b>

	₹	₹
<b>29 (ii) Value of imported and indigenous goods *</b>	<b>2015 - 16</b>	<b>2014 - 15</b>
Imported into India	322,299,005.30	84,397,176.33
	<b>322,299,005.30</b>	<b>84,397,176.33</b>

\* As the Company is engaged only in trading business, this information thereof is limited to trading and not consumption. The indigenous purchases of materials are not reported herewith. The Trading purchases is a part of total purchases.

**29 (iii) Disclosure in accordance with Accounting Standard-18 Related Party Transaction**

**A Names of Related Parties & Nature of Relationship**

**i Names of Related Parties Nature of Relationship**

*With effect from 01/01/2016, M/s RKB Global Pvt Ltd and RKB Steel Pvt Ltd are not related parties as per New Companies Act, 2013 and accordingly the figures till 31/12/2015 are given against that vis-à-vis for 31/03/2015 as comparatives.*

**ii Key Management personnel**

Navin Madhavji Mehta Whole Time Director  
Tanvi Bobhate Company Secretary

	2015 - 16	2014 - 15
<b>iii Transactions with Related Parties</b>		
a Purchase of Materials, etc.,	114,479,113.05	40,282,496.75
b Sale of Materials etc.,	107,301,116.16	371,472,553.00
c Rendering of Service/Financial Income	-	-
d Advances given/repaid	-	-
e Remuneration Paid	160,000.00	-
f Services Receipts/Payments	108,000.00	360,000.00
<b>a Purchases of Materials etc.,</b>		
Rkb Global Pvt Ltd	114,141,920.05	40,282,496.75
Rkb Steel Pvt Ltd	337,193.00	-
<b>b Sales of Materials etc.,</b>		
Rkb Global Pvt Ltd	107,159,951.16	371,472,553.00
Rkb Steel Pvt Ltd	141,165.00	-
	-	-
<b>c Rendering of Service/Financial Income</b>		
	-	-
<b>d Advances given/repaid</b>		
Opening Balance	-	-
Received during the year	66,819,584.42	2,657,301.00
Paid during the year	66,819,584.42	2,657,301.00
Closing Balance	-	-
<b>e Remuneration Paid</b>		
Navin Madhavji Mehta	135,000.00	-
Tanvi Bobhate	25,000.00	-
<b>f Services Receipts/Payments</b>		
Godown rent (RKB Global Pvt Ltd)	108,000.00	360,000.00

30 Previous year's figures are regrouped and rearranged to make them comparable with current year's figures.



## **Shree Surgovind Tradelink Limited**

Notes to financial statements for the year ended 31 March 2016

### **1. Corporate information**

Shree Surgovind Tradelink Limited (“the Company”) was incorporated in India on 26<sup>th</sup> of October, 1995 and is business of traders, exporters, importers, cold storage lessors and refrigerating engineers, operators. Company has its registered office at Ahmedabad and the branch at Mumbai

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 Basis of accounting and preparation of financial statements :**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### **2.2 Use of Estimates :**

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed tangible assets and intangible assets. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### **2.3 Revenue Recognition**

- i) Revenues/incomes and Costs/Expenditures are generally accounted on accrual, as they are earned or incurred.
- ii) Sale of Goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of the goods.
- iii) Benefit on account of entitlement to import goods free of duty under the “Duty Entitlement Pass Book Scheme” is accounted in the year of export

- iv) Dividend income is recognized when the Company's right to receive dividend is established.

#### **2.4 Valuation of Inventories:**

Inventories consist of Finished Goods which are stated 'at cost or net realizable value, whichever is lower'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Cost of finished goods includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

#### **2.5 Statutory and Other taxes :**

In case of Excise, Registration in the name of trader had been taken and duty thereon had been paid. For Service tax, the company pays the tax on reverse charge basis. Sales tax/Value Added tax paid is set-off against the collection and in case of payment of earlier years; the same is debited to Profit and Loss account.

#### **2.6 Provisions and Contingent liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **2.7 Tangible assets and capital work-in-progress**

Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until such assets are ready for use. Capital work-in-progress comprises the cost of fixed assets, if any, that are not yet ready for their intended use at the reporting date.

#### **2.8 Intangible assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful lives. Gains or losses, if any arising from the retirement or disposal proceeds and the carrying amount of the asset are recognized as income or expense in the Statement of Profit and loss.



## **2.9 Depreciation and amortization**

Depreciation on tangible assets is provided on the written-down-value over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The Management estimates the useful lives for the *other fixed assets* as follows:

Plant and machinery-15 years

Office equipment-5 years

Computer equipment-3-5 years

Furniture and fixtures-5 years

Vehicles-8 years

## **2.10 Impairment**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

## **2.11 Retirement benefits to employees**

The company at present does not have any retirement benefit for the employees concerned and the staff costs are accounted as period costs.

## **2.12 Foreign currency transactions**

All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place. Monetary items in form of current assets and current liabilities in foreign currency, outstanding at the close of the year are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet.



### **2.13 Income taxes**

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The Company offsets, on a year-on-year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis. The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter, a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exist, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to Statement of Profit and Loss are credited to the securities premium reserve.

### **2.14 Earnings per shares**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of shares and

potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

#### **2.15 Investments**

Investments consist of term deposits kept with the banking company as part of trade. The same are offered as collateral for bill discounting in connection with the business of the assessee. The interests accrued and received thereon are considered as a incomes in the Statement of Profit and Loss accounts.

#### **2.16 Cash and cash equivalents**

Cash and cash equivalents comprise cash and cash-on-deposit with banks and financial institutions. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

#### **2.17 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### **2.18 Leases**

Lease payments under operating leases are recognized as an expense on a straight-line basis in the Statement of Profit and Loss over the lease term.

CIN: L51901GJ1995PLC027958  
**SHREE SURGOVIND TRADELINK LIMITED**  
*Regd. Office:* 103/1, 1<sup>st</sup> Floor, Angel Complex, Behind Bluestar Complex,  
Navjeevan, Ahmedabad – 380014

**Attendance Slip – Ordinary Shares**

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the Twenty first Annual General Meeting of the Company at 103/1, 1<sup>st</sup> Floor, Angel Complex, Behind Bluestar Complex, Navjeevan, Ahmedabad – 380014, at 04.00 p.m. on Thursday, the 4<sup>th</sup> day of August, 2016.

.....  
Full name of the Shareholder  
(In block capitals)

.....  
Signature

Folio No. : ..... / DP ID No.\* ..... & Client ID No.\* .....

\* Applicable for members holding shares in electronic form.

.....  
Full name of Proxy  
(In block capitals)

.....  
Signature

NOTE: Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting

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CIN: L51901GJ1995PLC027958

**SHREE SURGOVIND TRADELINK LIMITED**

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**PROXY FORM**

Name of the member

(s): Registered address:

E-mail Id:

Folio No/ Client Id: DP ID:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: .....  
Address:  
E-mail Id:  
Signature:....., or failing him
2. Name: .....  
Address:  
E-mail Id:  
Signature:....., or failing him
3. Name: .....  
Address:  
E-mail Id:  
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty-first Annual general meeting/ Extraordinary general meeting of the company, to be held on the Thursday, the 4<sup>th</sup> day of August, 2016 at 4.00 p.m. at 103/1, 1<sup>st</sup> Floor, Angel Complex, Behind Bluestar Complex, Navjeevan, Ahmedabad – 380014 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To consider and adopt audited Financial statement, report of Board of Directors and Auditors
2. To re-appoint Mr. Navin Mehta, Director retiring by rotation
3. Appointment of Auditor
4. Regularisation of Ms. Padma Mayur Varadarajan, Independent Director;
5. Regularisation of Ms. Swati Bakul Shah, Director
6. Regularisation of Mr. Bharat Gandhi, Independent Director

Signed this..... day of..... 2016

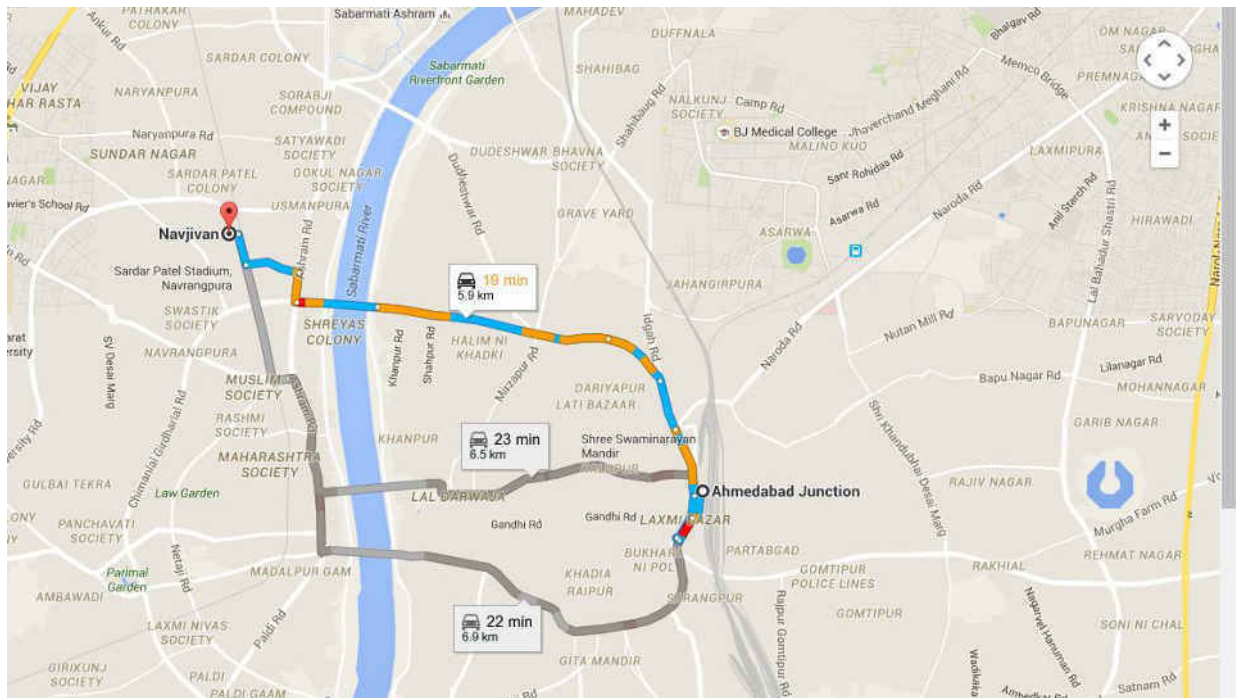
Signature of shareholder




Signature of Proxyholder(s)

Affix  
Revenue  
Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

For those members who wish to attend the Annual General meeting either in person or through proxy, the route map of the venue of the meeting is as under:



	via Kasturba Gandhi Rd 15 min without traffic	<b>19 min</b> 5.9 km
	via Swami Vivekananda Rd 16 min without traffic	<b>22 min</b> 6.9 km
	via Relief Rd 16 min without traffic	<b>23 min</b> 6.5 km