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## SEVENTEENTH ANNUAL GENERAL MEETING PROGRAMME

DATE : 24th September, 2010  
DAY : Friday  
TIME : 09.30 A.M.  
VENUE : **REGISTERED OFFICE**  
10th Floor, Sumeru Centre,  
Near Parimal Crossing,  
C.G. Road, Ahmedabad-380 007..

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### BOARD OF DIRECTORS

Vipul H Raja (Chairman)  
Nandit V Raja (Managing Director)  
Supreme P Shah (Director)  
A.C.Patel (Director)  
Bhavin D Mashruwala (Director)

### REGISTRAR AND SHARE TRANSFER AGENTS

Sharepro Services (India) Pvt.Ltd.  
13/AB Samita Warehousing Complex,  
2nd Floor, Sakinaka Telephone Exchange,  
Off Andheri-Kurla Road, Sakinaka,  
Andheri (East) Mumbai-400 072.

### LISTED AT

#### AHMEDABAD

The Stock Exchange Ahmedabad  
Kamdhenu Complex,  
Nr. Panjarapole,  
Ambawadi, Ahmedabad 380 015

#### MUMBAI

The Stock Exchange Mumbai  
25th Floor, P.J. Towers,  
Dalal Street, Fort, Mumbai 400 001

#### RAJKOT

Saurashtra & Kutchha Stock Exchange Limited,  
The Rajkot Stock Exchange,  
Popatbhai Sorathia Bhavan,  
Sadar Bazar, Rajkot.

### COMPANY LAW & SECRETARIAL ADVISOR

Kamlesh M Shah & Co.  
Practising Company Secretary

### AUDITORS

M/s Nitin K Shah & Co.  
Chartered Accountants  
3<sup>rd</sup> Floor, Empire Tower  
Nr. Associate Petrol Pump  
C.G. Road, Ahmedabad

### INTERNAL AUDITORS

Shailesh Patel & Co.  
Chartered Accountants  
5th Floor, Samruddhi Complex,  
Nr. Old High Court, Income Tax,  
Ashram Road, Ahmedabad

### BANKERS

ICICI Bank Ltd.  
The Ahmedabad Peoples Co.Op. Bank Ltd  
Axis Bank Ltd.  
HDFC Bank Ltd.

### Board Committee

#### Audit Committee

1. Supreme P Shah
2. Vipul H Raja
3. Bhavin D Mashruwala

### Shareholders Grievances Committee

1. Supreme P Shah
2. Vipul H Raja
3. Bhavin D Mashruwala

### INVESTORS EMAIL ID

investors.sumeru@gmail.com

**NOTE TO THE SHAREHOLDERS :** As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting, Shareholders are requested to kindly bring their copies to the meeting. The ISIN Number of the Company is INE 764 B 01029

## **C O N T E N T S**

- GENERAL INFORMATION
- NOTICE
- DIRECTORS' REPORT
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## NOTICE

NOTICE is hereby given that the 17<sup>th</sup> Annual General Meeting of the Members of the **SUMERU INDUSTRIES LIMITED** will be held on 24<sup>th</sup> September, 2010 the Friday at 9:30 A.M. at the Registered Office of the Company at 10<sup>th</sup> Floor, Sumeru Center, Near Parimal Railway Crossing, C.G.Raod, Ahmedabad-380 007 to transact the following business:

### Ordinary Business:

- 1) To Receive, Consider, Approve and Adopt the Audited Statement of Accounts i.e. The Audited Balance Sheet as at 31st March, 2010 The Profit & Loss Account for the year ended on that date, the report of the Auditors and Directors thereon.
- 2) To appoint a director in place of Mr. Nandit V. Raja who retires by rotation and being eligible offers himself for reappointment.
- 3) To appoint a director in place of Mr. Bhavin D. Mashruwala who retires by rotation and being eligible offers himself for reappointment.
- 4) To Appoint M/s. Nitin. K. Shah, Chartered Accountants, as Statutory Auditors for the next financial year and to fix their remuneration.

**PLACE: AHMEDABAD.**

**DATE: 22/06/2010**

**BY ORDER OF THE BOARD**

**(VIPUL. H. RAJA)  
CHAIRMAN**

**The Register of Members of the Company will remain closed from 20<sup>ST</sup> SEPTEMBER 2010 (MONDAY) TO 24<sup>TH</sup> SEPTEMBER 2010 (FRIDAY) (both Days inclusive).**

### Notes:

- 1) A Member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member of the company. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, partnership firms etc., must be backed by appropriate resolution / authority as applicable, issued on behalf of the nominating organization.
- 2) The Register of members and share transfer books of the Company shall remain closed from 20<sup>TH</sup> SEPTEMBER 2010 (MONDAY) TO 24<sup>TH</sup> SEPTEMBER 2010 (FRIDAY) (Both days inclusive) as per the provisions of section 154 of the Companies Act 1956 and the provisions of the Clause 16 of the Listing Agreement.
- 3) Members desiring any information on accounts are requested to write to the company 7 days before the meeting to enable the management to keep the information ready.
- 4) Shareholders holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agent, Sharepro Services (India) Pvt. Ltd. Shareholders holding shares in electronic form must advise their respective depository participants about change in address and not to company.
- 5) All shareholders are requested to dematerialize their shares immediately as the shares are traded compulsorily in demat segment only.

**INFORMATION ABOUT THE DIRECTORS WHO ARE PROPOSED TO BE APPOINTED/ RE-APPOINTED AT THE ANNUAL GENERAL MEETING AS PER CLAUSE 49 OF THE LISTING AGREEMENT.**

<b>Particulars</b>	Mr. Nandit. V. Raja	Mr. Bhavin D. Mashruwala
<b>Director Identification Number.</b>	00055722	00055910
<b>Date of Birth.</b>	01/09/1979	03/07/1974
<b>Age.</b>	30 Years	35 Years
<b>Educational Qualification.</b>	BA (Hons) Management Leeds University UK	Bachelor of Commerce, Gujarat University
<b>Experience (No. of Years)</b>	7 Years.	12 Years
<b>Business field in which Experience.</b>	Management and Administration of Corporate affairs of a Public Limited Company	He has vast experience in trading in real estate and financial services business.
<b>Date of Appointment as Director in the Company.</b>	01/09/2000	30/05/1998
<b>Directorship held in any other Company.</b>	GCCL Infra. & Project Ltd	NIL
<b>Member of any Committees of the Directors in the Company.</b>	NIL	Audit Committee Shareholder's Grievances Comm.
<b>Member of any committees of the Directors in other Companies with names of the Company.</b>	NIL	NIL
<b>Member of any Trade Association/ Charitable Organization/NGOs etc.</b>	NIL	NIL

## DIRECTORS' REPORT

herewith your Directors are pleased to submit their report together with the audited statement of accounts for the 17<sup>th</sup> financial year ended 31<sup>st</sup> March, 2010.

(Amount in Rs.)

Particulars	2009-10	2008-09
Income from Operation	3669807	3794460
Other Income	-	-
Total Income	3669807	3794460
Total Expenditure	3133997	3363181
Profit/ (loss) before tax and dep.	535810	431279
Provision for depreciation	227633	249595
Provision for Tax (Incl. Differed Tax)	291741	93711
Net Profit / (Loss) after tax for the year	176327	87973
Add : Balance B/F from previous year	22531993	22514020
Profit available for appropriation	22708320	22601993
Less : Excess / (Short) Provisions	(716528)	(70000)
Mat Credit Entitlement	1441359	-
Balance carried to next year	23433151	22531993

### DIVIDEND:

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

### UNPAID / UNCLAIMED DIVIDEND:

The Company does not have any outstanding unpaid/unclaimed dividend which is required to be transferred to the Investors Education and Protection funds as per the provision of Section 205C of the Companies Act 1956. The Company does not have any outstanding liability on account of Interest and Principal on Deposits, Debentures or Share Application Money.

### SHARE CAPITAL STRUCTURE:

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

### BUY BACK OF EQUITY SHARES:

The Company had not made any Buy Back of its paid up equity shares during the year in terms of section 77A, 77AA and 77B of the Companies Act 1956. Hence no specific disclosure is required to be made in this report.

### YEAR UNDER REVIEW:

During the year under review the Company has earned total income of Rs. 36,69,807/- (Previous Year of Rs. 37,94,460) from business. After deducting all administrative expenses and depreciation and necessary adjustments for taxation, etc. the company has earned a net profit of Rs. 1,76,327/- (Previous of Rs. 87,973/-). After making necessary adjustments for taxation, etc. a net credit balance of Profit and Loss account carried to next year is Rs. 2,34,33,151/- (Previous year it was Rs. 2,25,31,993).

### DEMATERIALISATION OF SECURITIES:

Your Company's Equity shares are admitted in the System of Dematerialization by both the Depositories namely NSDL and CDSL. The Company has signed tripartite Agreement through Registrar and Share Transfer Agent M/s. Sharepro Service (India) Private Limited. The Investors are advised to take advantage of timely dematerialization of their securities. The ISIN allotted to your Company is INE 764B 01029. Total Share dematerialized up to 31st March 2010 were 5,38,98,750

which constitute 74.86% of total capital. Your Directors request all the shareholders to dematerialize their shareholding in the company as early as possible.

#### **COMPLIANCE TO CODE OF CORPORATE GOVERNANCE:**

The Complete Report on Corporate Governance is given as ANNEXURE-A to this report.

#### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management's discussion and perceptions on existing business, future out look of the industry, future expansion and diversification plans of the Company and future course of action for the development of the Company are fully explained in a separate para in Corporate Governance Report.

#### **DEPOSITS**

During the year under review your company has neither invited nor accepted any public deposit or deposits from the public as defined under Section 58A of the Companies Act-1956.

#### **DIRECTORS**

Mr.Nandit V Raja and Mr. Bhavin D Mashruwala shall retire by rotation at the ensuing Annual General Meeting as per provisions of Law. They are eligible for reappointment and offered themselves for directorship of the company. Hence, your directors recommend for their reappointment.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provision contained in Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm:

- A. That in the preparation of the annual accounts, as far as possible and except the Accounting Standards which are mentioned by the Auditors in their Report and the Notes to the Accounts separately, the applicable accounting standards has been followed and no material departure has been made from the same;
- B. That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affair of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- C. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
- D. That they have prepared the annual accounts on a going concern basis.

#### **STATUTORY AUDITORS**

M/s Nitin K Shah & Co., Present Statutory Auditors of the company have given their letter of consent and confirmation under section 224(1B) the Companies Act 1956 for reappointment as Statutory Auditors of the Company. Necessary Resolution for their appointment as the Statutory Auditors and fixing their resolution is proposed to be passed at the Annual General Meeting.

#### **INTERNAL AUDITORS**

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

#### **AUDITORS OBSERVATION**

There are no specific observations made by the Auditors in their report. However notes to the Accounts itself are Satisfactory and self explanatory in the nature.

- (1) The Company has at present no employee who have put in or completed the services so as to make them eligible for retirement benefits as per various labour laws. In view of the same the Company has not framed any

retirement benefits scheme. Hence, as there are no retirement benefits accruing to any employee of the Company, no provisions for the same is required to be made in the financial accounts of the Company.

- (2) The company has not made provision for contingent liabilities of Rs.1912309/- on account of interest tax, the management is of the view that the matter has been disputed and pending with the High Court and it is likely that the decision of the Court will be favour of the Company.

#### **FORMATION OF AUDIT COMMITTEE IN COMPLIANCE TO SECTION 292 A OF THE COMPANIES ACT, 1956.**

In Compliance with the provisions of Section 292A of the Companies Act 1956 your company has formed an Audit Committee within the Organization consisting of 2 independent directors and one promoter director. An Internal Auditors have been appointed as Advisors in their professional capacity on this committee. The area of operations and functional responsibilities assigned to the committee are as per the guidelines provided in Clause 49 of the Listing Agreement for implementation of code of corporate governance. The Committee meets at least once in a quarter and gives its report of each meeting to the Board for its approval, record and information purposes. The detail of powers, responsibilities and system of functioning of this committee is given in report on Corporate Governance forming part of this report.

#### **EMPLOYEES**

There are no employees of the company who were in receipt of the remuneration of Rs.24,00,000/- annually in the Aggregate if employed for the year and in receipt of the Monthly remuneration of Rs. 2,00,000/- in the aggregate if employed for a part of the year under review. Hence the information required under Section 217 (2A) of the Companies Act, 1956 being not applicable and hence not given in this report.

#### **STATUTORY INFORMATION**

The Information required to be disclosed in the report of the Board of Directors as per the provisions of Section 217 (1) (e) of the Companies Act-1956 and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 regarding the conservation of energy, technology absorption, foreign exchange earnings and outgo are not applicable to the company hence are not given herewith. There were no foreign Exchange earnings or outgo during the year.

#### **MATERIAL CHANGES**

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

#### **APPRECIATION**

Your Directors take this opportunity to acknowledge the trust reposed in your company by its Shareholders, Bankers and clients. Your Directors also keenly appreciate the dedication & commitment of all our employees, without which the continuing progress of the company would not have been possible.

**PLACE: AHMEDABAD.**  
**DATE: 22<sup>ND</sup> JUNE 2010**

**ON BEHALF OF THE BOARD OF DIRECTORS**

**(VIPUL. H. RAJA)**  
**CHAIRMAN**

**ANNEXURE TO THE DIRECTORS REPORT  
REPORT ON CORPORATE GOVERNANCE 2009-10**

**Company's Philosophy on Code of Corporate Governance**

The Corporate Governance policies followed by your Company are aimed at ensuing transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationship between itself and its stake – holders.

**Board of Directors :**

As on 31<sup>st</sup> March 2010, the composition of the Board of Directors is as shown below. The Board of Directors as on 31-03-2010 comprised of on executive Chairman Executive Managing Director and three non-executive Directors

**BOARD MEETINGS:**

During the year under review, 4 Board Meetings were held on 24<sup>th</sup> April,2009 , 24<sup>th</sup> July,2009, 14<sup>th</sup> October,2009, 21<sup>st</sup> January,2010. The details of the attendance of the directors in the board meeting alongwith number of meeting held during their tenure are given below.

Name & Designation	Category	No. of Board Meeting Attended	Attendance at Last AGM (24/09/2009)	No. of Other Directorship	Membership in the committee of other companies	
Vipul. H. Raja Chairman	Promoter Director	4	Yes	3	Membership Nil	Chairmanship Nil
Nandit. V. Raja Managing Director	Promoter Director	4	Yes	1	Nil	Nil
Supreme. P. Shah Director	Independent Director	4	Yes	1	Nil	Nil
A C Patel Director	Independent Director	4	Yes	11	4	3
Bhavin Mashruwala Director	Independent Director	4	Yes	Nil	Nil	Nil

**COMPOSITION OF COMMITTEES.**

**A. Audit Committee:** Qualified and independent audit committee has been set up by the board. The terms of reference of the Audit Committee include;

- a. Review of quarterly and half yearly financial results with the management and the statutory auditors;
- b. Review with the management and statutory auditors of the annual financial statements before submission to the Board;



- c. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control system;
- d. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- e. Review of the financial report process and disclosure of financial information;
- f. Review of the adequacy of the internal audit function;
- g. Look into the reasons for any substantial defaults in payments to the depositors, shareholders, creditors, if any;
- h. Recommending the appointment and removal of External Auditors, fixation of audit fees and approval for payment for any other services;
- i. Authority to investigate into any matter covered by section 292A of the Company Act, 1956;
- j. Reviewing the Company's financial and risk management policies;

#### COMPOSITION & NAME OF MEMBERS OF AUDIT COMMITTEE

	Name	Type
1	Mr. Supreme P Shah	Chairman
2	Mr. Vipul H Raja	Member
3	Mr. Bhavin D Mashruwala	Member

#### FUNCTIONS OF AUDIT COMMITTEE:

The Audit Committee is headed by Mr. Supreme P shah as Chairman and includes other director namely Mr. Vipul H Raja and Bhavin D Mashruwala. The Committee is regularly giving feed back on daily financial and accounting position of the company to the Board. The Committee meets at least once in every quarter and prepare its minutes on the proceedings and business discussed, transacted. All committee Reports and minutes are placed before the Board in all its meetings for information, guidance, directions and taking the same on record. Other functions, powers, duties etc. of the committee are defined taking in to account the legal provisions of the Listing Agreement and the same are kept flexible to be decided by the Board from time to time.

#### B. COMPOSITION & NAME OF INVESTOR GRIEVANCE COMMITTEE

	Name	Designation
1	Mr. Supreme P Shah	Chairman
2	Mr. Vipul H Raja	Member
3	Mr. Bhavin D Mashruwala	Member

#### FUNCTIONS OF INVESTORS SERVICE COMMITTEE.

This Committee looks in to all aspects and business related to shares and retail investors. The Committee also looks after the Dematerialization process of equity shares.

The Committee is also empowered to keep complete records of Shareholders, Statutory Registers relating to Shares and securities, maintaining of the complete records of Share Demated, Investors Grievances, complaints received from investors and also from various agencies.

The Committee has also appointed Mr. Kamlesh. M. Shah Company secretary to look after the legal cases and problems relating to the investors, shares etc.

The Committee meets every month to approve all the cases of shares demate, transfer, issue of duplicate and resolution of investors complaints, submission of information to various statutory authorities like NSDL/CDSL, SEBI, Stock Exchanges, Registrar of Companies periodically and from time to time.

Other functions, roles, duties, powers etc. have been clearly defined in line with the Clause 49 of the Listing Agreement and are kept flexible for modification by the Board from time to time.

#### C. REMUNERATION COMMITTEE:

The Company has only one Managing Director Mr. Nandit V Raja. The remuneration payable to Mr. Nandit V Raja as Managing Director has been fixed within the statutory limit and the frame work of the provisions of section 269,198 and Schedule XIII of the Companies Act, 1956. The Company at present does not pay any other type of remuneration to other non executive directors whether by way of sitting fees for Board or committee meetings or share in profit or otherwise. If the company in future decides to pay any sitting fees or other remuneration the same will be decided by the Board of Directors of the company within the framework of company law. In view of the above said position the company has not formed Remuneration Committee.

#### NUMBER OF BOARD AND COMMITTEES MEETINGS HELD DURING THE YEAR:

Name of the Committee	No. of Meetings held
Board	4
Audit Committee of Board	4
Investor Grievance Committee	12

#### ATTENDANCE OF THE DIRECTORS IN VARIOUS MEETINGS :

	Name of the Director	Board Meeting	ACB Meeting	IGCB Meeting
1	Mr. Supreme P. Shah	4	4	12
2	Mr. Vipul H Raja	4	4	11
3	Mr. Nandit V Raja	4	-	-
4	Mr. A.C. Patel	4	-	-
5	Mr. Bhavin D Mashruwala	4	4	12

#### Details of Annual General Meeting Held During the Last 4 Financial Years :

Sr.No.	Date of AGM	Day	Time	Venue
(1)	20/09/2006	Wednesday	09.30 A.M.	10 <sup>th</sup> Floor, Sumeru Center, Nr. Parimal Crossing, C.G. Road, Ahmedabad: 380 007.
(2)	24/09/2007	Monday	09.30 A.M.	10 <sup>th</sup> Floor, Sumeru Center, Nr. Parimal Crossing, C.G. Road, Ahmedabad: 380 007.
(3)	27/09/2008	Saturday	09.30 A.M.	10 <sup>th</sup> Floor, Sumeru Center, Nr. Parimal Crossing, C.G. Road, Ahmedabad: 380 007.
(4)	25/09/2009	Friday	09.30 A.M.	10 <sup>th</sup> Floor, Sumeru Center, Nr. Parimal Crossing, C.G. Road, Ahmedabad: 380 007.

#### **PASSING OF THE RESOLUTION BY POSTAL BALLOT SYSTEM:**

The Company had not passed any resolution by means of Postal Ballot since the last Annual General Meeting. The Company has not proposed to pass any resolution in this Annual General Meeting which is to be passed by means of Postal Ballot system.

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

##### **A) PRESENT STRENGTH OF THE COMPANY:**

In view of the global recession period the Company has diversified as service provider for industrial projects and management consultancy. The service provider business is remunerative and cost-effective.

##### **B) FUTURE OUTLOOK:**

The Company is in process of identifying the best available business opportunities for making timely investment. The Company has already acquired land for SALT PAN Manufacturing project as a new business venture on lease basis. Total land acquired for the purpose is 3020 acres in Kutchh District of Gujarat State. The product is proposed to be marketed in Domestic and Foreign. The company proposes to manufacture industrial grade as well as edible grade salt in future.

#### **DISCLOSURES**

##### **A) MATERIALLY RELATED PARTY TRANSACTION:**

During the financial year 2009-10 there was no transactions of material nature with its promoters, the directors and the management, their subsidiaries or relatives, etc., which may have potential conflict with the interest of the company at large. However details of transactions with related parties are given in note No. 15 to Notes of Accounts Schedule – 10 given by auditors as per Accounting Standard 18.

##### **B) DETAILS OF NON-COMPLIANCE**

During the year, the Company had not made any default in statutory compliances with the Registrar of Companies, Stock Exchanges, SEBI or any other authorities for filing and submission of yearly, half yearly or quarterly information. Any information which are event based are submitted within the statutory time limits as per provisions of relevant rules and regulations or law to appropriate authorities.

#### **MEANS OF COMMUNICATIONS:**

##### **ESTABLISHMENT OF INTERNAL MANAGEMENT INFORMATION SYSTEM:**

The Company has established the Management information system whereby any problem requiring policy decisions are being intimated to Audit Committee for redressal or amendments in the policy and procedures. The progress reports are being maintained regularly. All the Investors' grievances or share department related queries are addressed to the Compliance officer who in turn put the same before the Investors' Grievances Committee.

#### **INFORMATION SYSTEM BETWEEN COMMITTEES AND THE BOARD**

Both Audit Committee and Investors' Grievances Committees receive periodical regular information from the concerned functional heads, after resolutions of all the problems communicate back the same to functional heads for further communications. The progress report and minutes of all meetings held of both the committees are being placed before the Board for information and taking the same on records.

#### **INFORMATION SYSTEM BETWEEN THE COMPANY AND INVESTORS**

The Company is regularly taking on record the un audited financial results on quarterly basis as per requirements of the Clause 41 of the listing Agreement and the same are published in English And Gujarati News Papers in time. Further these original paper cuttings are also being submitted to stock Exchanges in time. The Material information relating to the business of the Company are being intimated to the Stock Exchange who in turn publish the same in their official bulletin. The Audited Financial Balance Sheet is being dispatched to every shareholder in time at their registered addresses.

#### **STATUTORY COMPLIANCES MADE AND RETURNS ETC., FILED**

The Company has duly complied with the provisions of the Companies Act 1956, all the provisions of the Listing Agreement. The Company has also filed various unaudited financial results, Balance sheets, Income Tax returns and other statutory

returns with all the authorities in time. There are no defaults as on date in any such compliances and no legal action of any nature has been taken against the company or its officers/ directors.

**DEMATERIALISATION OF SHARES AND LIQUIDITY:**

The Company has entered into Triparty Agreement with both Depository namely National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). Now the Shareholders have the option to hold their share either in physical form or in Demat form. However as per SEBI circular hereby advise all its shareholders to dematerialize their holding at the earliest. Total Shares dematerialized up to 31/03/2010 is 5,38,98,750 shares.

**SHARE TRANSFER SYSTEM :**

The share transfer system in physical form is processed and the Share Certificates are returned within a period of one month from the date of receipt. The company has as per SEBI guidelines with effect from December 2000 offered the facility of Transfer cum Demat. Under the said system, after the shares are transferred, an option letter is sent to the transferee including the details of the transferred shares and in case of transferee wishes to demat the shares, he can approach Depository Participants with the said letter.

**NAME AND ADDRESS OF THE COMPLIANCE OFFICER:**

Mr. Vipul H Raja  
 Chairman.  
 10<sup>th</sup> Floor, Sumeru Center,  
 Near Parimal Crossing, Paldi, Ahmedabad – 380 007.

**STATUS OF LISTING / TRADING OF SHARES:**

The Company's Equity Shares are at present listed and are freely traded on the Stock Exchange at Ahmedabad, Mumbai and Rajkot. The details of the Trading code are as under:

Name of Stock Exchange	Trading Code
Ahmedabad Stock Exchange (ASE)	57645
Mumbai Stock Exchange (BSE)	530445
The Saurashtra Kutch Stock Exchange (SKSE)	-

**MARKET PRICE DATA – HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR.**

Month	Open Price	High Price	Low Price	Close Price
April 2009	0.55	0.66	0.51	0.59
May 2009	0.61	0.79	0.55	0.79
June 2009	0.82	1.27	0.82	0.89
July 2009	0.88	0.89	0.68	0.76
August 2009	0.73	0.76	0.58	0.69
September 2009	0.67	1.09	0.67	0.95
October 2009	0.91	0.94	0.69	0.69
November 2009	0.67	0.67	0.55	0.56
December 2009	0.58	0.93	0.55	0.93
January 2010	0.94	1.04	0.77	0.77
February 2010	0.77	0.82	0.65	0.71
March 2010	0.68	0.76	0.59	0.65

Note : (1) As the Company's share are not included in any Index of the Stock Exchange, the effect of price movement of shares of the company viz a viz general index of the industry are not given.

**CATEGORY WISE HOLDING OF SHARES AS ON 31/03/2010**

Category	Shares%	Percentage of Holding
Promoters	35554579	49.37 %
Bodies Corporate	8837165	12.27 %
Public (Indian)	27335453	37.99%
NRI	272803	0.37 %
Total	72000000	100.00 %

**Distribution of Shareholding as on 31/03/2010**

DESCRIPTION		HOLDER(S) FOLIOS %		HOLDING(S) SHARES %	
Less than	500	942	17.190	318704	0.443
501	1000	1796	32.774	1770106	2.458
1001	2000	893	16.296	1686808	2.343
2001	3000	416	7.591	1191361	1.655
3001	4000	195	3.558	748326	1.039
4001	5000	454	8.285	2252194	3.128
5001	10000	391	7.135	3217485	4.469
10001	999999998	393	7.172	60815016	84.465
		5480		72000000	100.000

**OTHER DETAILS :**

REGISTERED OFFICE : 10<sup>th</sup> Floor, Sumeru Center, Near Parimal Crossing,  
C.G. Road, Ahmedabad: 380 007.

BOOK CLOSURE DATES : 20<sup>TH</sup> September 2010 to  
24<sup>TH</sup> September 2010  
(Both days inclusive)

REGISTRAR AND SHARE TRANSFER AGENT. : Sharepro Services (India) Private Limited,  
13/AB Samita Warehousing Complex  
2<sup>nd</sup> Floor, Sakinaka Telephone Exchange,  
Off Andheri-Kurla Road, Sakinaka,  
Andheri (East) Mumbai – 400 072.

ISIN NUMBER OF THE COMPANY : INE 764 B 01029

**Declaration by the Managing Director on Code of Conduct as required by Clause 49.1. (D) (ii).**

This is to declare that the company has received affirmations of compliance with applicable Code of Conduct from the Directors and Senior Management personnel of the company in respect of the financial year 2009-10.

PLACE: AHMEDABAD.  
DATE : 22<sup>ND</sup> JUNE 2010

ON BEHALF OF THE BOARD OF DIRECTORS

(NANDIT V RAJA)  
MANAGING DIRECTOR

# CERTIFICATE

## AUDITOR'S CERTIFICATE ON REPORT OF CORPORATE GOVERNANCE

To,  
The Members of  
**Sumeru Industries Ltd.**

We have examined the compliance of conditions of Corporate Governance by **Sumeru Industries Limited** for the year ended March 31, 2010, as stipulated in the Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Nitin K. Shah & CO.**  
Chartered Accountants  
Firm Reg. No.107140W

**(Nitin K. Shah)**  
(Proprietor)  
M. No. 012398

Place : AHMEDABAD  
Date : 22/06/2010

## AUDITORS' REPORT

To Members of  
**Sumeru Industries Ltd.**

1. We have audited the attached Balance Sheet of **Sumeru Industries Ltd.** ("the Company") as at March 31, 2010 and the related Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India (the Act) and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, Profit and loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - (e) on the basis of written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
  - (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
    - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Nitin K. Shah & CO.**  
Chartered Accountants  
Firm Reg. No.107140W

**(Nitin K. Shah)**  
(Proprietor)  
M. No. 012398

Place : AHMEDABAD  
Date : 22/06/2010

## ANNEXURE TO AUDITOR'S REPORT

[Referred to in paragraph 3 of the Auditor's Report of even date to the members of Sumeru Industries Ltd. on the accounts for the year ended March 31, 2010]

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) According to the information and explanations given to us, the fixed assets of the Company were physically verified by the Management according to a phased program designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. There were no discrepancies noticed during the year.  
(c) During the year, the Company has not disposed of any asset. In our opinion the status of the company continues to be going concern.
2. (a) As Explained to us, the inventory of the Company of Rs.710610/- has been consumed in the Kutchh salt project and there is no inventory at the end of the year. Hence, para 2(b),(c) are not applicable.
3. The company has neither granted nor taken loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act. As the Company has not granted / taken any loans, secured or unsecured, to / from companies, firms etc., listed in the register maintained under Section 301 of the Act, paragraphs 4(III) (a) to (g) of the Order, are not applicable.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and/or services. Further, on the basis of our examination of the books and information and as per the explanations given to us, we have neither come across nor have we been informed of any instance of continuing failure to correct major weaknesses in the aforesaid internal control system.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that no transactions need to be entered into the register maintained under Section 301 of the Act. Consequently, requirement of clause (v,b) of paragraph 4 of the order is not applicable.
6. The company has not accepted any deposits under the provision of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
9. (a) According to the information and explanations given to us and according to the books and records examined by us, in our opinion, the Company wherever applicable, is regular in depositing the undisputed statutory dues In respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, customs duty, excise duty, cess, service tax and other material statutory dues as applicable with the appropriate authorities.  
Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, the same is not applicable to the company we, therefore, do not Comment upon its requirements.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears, as at March 31, 2010 for a period of more than six months from the date they became payable.  
(c) According to the information and explanation given to us, details of dues of Interest tax which has not been deposited on account of dispute raised by the income tax department are given below:



Particulars	Period to which the amount relates	Forum where the dispute is pending	Amount (Rs.)
Interest Tax	1995-96	High Court	312003
Interest Tax	1996-97	High Court	835549
Interest Tax	1997-98	High Court	764757
Total			1912309

10. The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during the current year and immediately preceding financial year.
11. Based on the information and explanations given to us, the Company has not availed of any credit facilities from any financial institutions or banks during the year. The Company has not borrowed any sums through debentures. Accordingly, clause 4(xi) of the Order is not applicable.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. According to the information and explanations given by the management, the Company has not indulged in dealing or trading in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions during the year.
16. The company has not obtained any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investment. No long-term funds have been used to finance short term assets.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
19. There are no debentures issued and outstanding at the year end.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the Management.

For **Nitin K. Shah & Co.**  
Chartered Accountants

Firm Reg. No.107140W

**(Nitin K. Shah)**  
M. No. 012398

Place : Ahmedabad  
Date : 22/06/2010

## BALANCE SHEET AS ON 31ST MARCH, 2010

Amount in Rs.

Particulars	Sch	Amount	2009-10	2008-09
<b>SOURCES OF FUNDS</b>				
1. Share Holder's Fund				
a) Share Capital	1	72000000		72000000
b) Reserve & Surplus	2	28213151		27311993
			100213151	99311993
2. Net Deferred Tax Liabilities			-	97379
<b>TOTAL</b>			<b>100213151</b>	<b>99409372</b>
<b>APPLICATION OF FUNDS</b>				
<b>1 FIXED ASSETS</b>	3			
a) Gross Block		3360964		3343014
Less : Depreciation		2847285		2619652
			513679	723362
<b>2. INVESTMENTS (At Cost)</b>	4		21577225	7660000
<b>3. CURRENT ASSETS LOAN &amp; ADVANCES</b>	5			
a) Current Assets		75832558		86411899
b) Loans & Advances		3733610		5661738
		79566168		92073637
Less : Current Liabilities	6	1591571		1567749
<b>NET CURRENT ASSETS</b>			77974598	90505888
<b>4. MISC EXPENDITURE</b>	7		147650	520122
<b>TOTAL UTILIASATION OF FUNDS</b>			<b>100213151</b>	<b>99409372</b>

### NOTES ON ACCOUNTS AND ACCOUNTING POLICIES

10

The Schedules referred to above form an integral part of Balance sheet

As per our report of even date Attached  
For **NITIN K SHAH & CO.**  
Chartered Accountants  
**Firm Reg.No.107140W**

ON BEHALF OF THE BOARD OF DIRECTORS  
**VIPUL H RAJA**  
Chairman

**N K Shah**  
Proprietor  
M. No. 012398

**NANDIT V RAJA**  
Managing Director

Place : Ahmedabad  
Date : 22/06/2010

Place : Ahmedabad.  
Date : 22/06/2010

## PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED AS ON 31ST MARCH, 2010

Amount in Rs.

Particulars	SCH	2009-10	2008-09
<b>INCOME</b>	8		
Income		3669807	3794460
<b>TOTAL INCOME</b>		<b>3669807</b>	<b>3794460</b>
<b>EXPENDITURE</b>			
Administration and General Exps.	9	3133997	3363181
Depreciation		227633	249595
<b>TOTAL EXPENDITURE</b>		<b>3361630</b>	<b>3612776</b>
<b>PROFIT BEFORE TAX</b>		<b>308177</b>	<b>181684</b>
Less : Provision for Taxation			
Current Tax		159891	100000
Deferred Tax		131850	(56951)
Fringe Benefit Tax		-	50662
Less : Mat Credit Utilised		(159891)	-
<b>Profit After Tax</b>		<b>176327</b>	<b>87973</b>
Add : Balance Brought Forward from P.Y.		22531993	22514020
Profit Available for appropriations		22708320	22601993
Earning Per Share of face value of Re. 1/- each		0.0024	0.0012

### NOTES ON ACCOUNTS AND ACCOUNTING POLICIES

10

As per our report of even date Attached  
For **NITIN K SHAH & CO.**  
Chartered Accountants  
Firm Reg.No.107140W

ON BEHALF OF THE BOARD OF DIRECTORS  
**VIPUL H RAJA**  
Chairman

**N K Shah**  
Proprietor  
M. No. 012398

**NANDIT V RAJA**  
Managing Director

Place : Ahmedabad  
Date : 22/06/2010

Place : Ahmedabad.  
Date : 22/06/2010

Amount in Rs.

Description	2009-10	2008-09
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
Authorised 80000000 Equity Shares of Rs.1/- each	80000000	80000000
Issued Subscribed and paid up 72000000 equity shares of Rs. 1/- each.	72000000	72000000
<b>TOTAL</b>	<b>72000000</b>	<b>72000000</b>
<b>SCHEDULE - 2 RESERVE &amp; SURPLUS</b>		
<b>General Reserves As per Last Year Profit &amp; Loss Account</b>	<b>4780000</b>	<b>4780000</b>
Opening Balance	22514020	22514020
Current Year Profit Carry Forward	87973	87973
<b>Profit Available for appropriation</b>	<b>22601993</b>	<b>22601993</b>
Less : Short provision for the previous years.	(716528)	(70000)
Mat Credit Entitlement	1441359	—
	<b>23433151</b>	<b>22531993</b>
<b>TOTAL</b>	<b>28213151</b>	<b>27311993</b>

**SCHEDULE - 3 : FIXED ASSETS**

Amount in Rs.

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 01-04-09	Addition During the Year	As on 31-03-10	As on 01-04-09	Addition During the Year	As on 31-03-10	As on 31-03-10	As on 31-03-09
Office Equipment	682460	17950	700410	389301	69465	458766	241644	293159
Electrical Equipments	161845	Nil	161845	153753	Nil	153753	8092	8092
Furniture Fixtures	2498709	Nil	2498709	2076598	158168	2234766	263943	422111
<b>TOTAL</b>	<b>3343014</b>	<b>17950</b>	<b>3360964</b>	<b>2370057</b>	<b>227633</b>	<b>2847285</b>	<b>513679</b>	<b>723362</b>

**SCHEDULE - 4 INVESTMENTS**

Amount in Rs.

Description	Face Value	Quantity		Amount in Rs.	
		2009-10	2008-09	2009-10	2008-09
<b>A] NON TRADE, UNQUOTED</b>					
Sumeru Securities Ltd	10	1000	1000	10000	10000
Jaihind Leasing & Fin. Ltd	10	15000	15000	150000	150000
Earnest Money Deposit		-	-	11050000	-
<b>TOTAL</b>				<b>11210000</b>	<b>160000</b>
<b>B] MUTUAL FUNDS</b>	10				
HDFC Cash Management Fund		1033467	747645	10367225	7500000
<b>TOTAL</b>				<b>10367225</b>	<b>7500000</b>
<b>TOTAL A+B</b>				<b>21577225</b>	<b>7660000</b>

Amount in Rs.

Description	2009-10	2008-09
<b>SCHEDULE - 5</b>		
<b>"CURRENT ASSETS, LOANS &amp; ADVANCE"</b>		
<b>A] CURRENT ASSETS</b>		
1) Stock in trade	-	710164
2) Debtors		
a) Outstanding for a period of more than six months	25776015	26711910
b) Outstanding for a period of Less than six months	526232	9384109
3) Advances for Goods	23820000	31820000
4) Kutchh Salt Project Expenses	19610261	12318830
5) Cash & Bank Balances		
a) Cash Balances	770707	567647
b) Balances with Schedule Banks	5299844	4613093
c) Balance with other Banks	19529	19529
6) Other Current Assets		
a) Pre-paid expenses	--	30000
b) Deferred Tax Assets	--	229229
c) Interest Accured	9970	5000
<b>TOTAL</b>	<b>75832559</b>	<b>86411899</b>
<b>B] LOANS &amp; ADVANCES</b>		
(Unsecured consider good)		
Advance recoverable in cash or kind for value		
Value Received	3573610	5501738
Other Deposit	160000	160000
<b>TOTAL</b>	<b>3733610</b>	<b>5661738</b>

Amount in Rs.

Description	2009-10	2008-09
<b>SCHEDULE - 6</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
A] Current Liabilities		
1) Creditors for goods	89100	89100
2) Sundry Creditors for Exps.	7109	7109
<b>TOTAL</b>	<b>96209</b>	<b>96209</b>
B] Provisions		
1) Provisions for Taxation Current Tax	1350000	1348570
2) Provisions for Exps.	145362	122970
<b>TOTAL</b>	<b>1495362</b>	<b>1471540</b>
<b>TOTAL (A+B)</b>	<b>1591571</b>	<b>1567749</b>
<b>SCHEDULE - 7 MISCELLENOUS EXPENDITURE</b>		
A] Public Issue Expenses	224828	449654
Less : Written off	224828	224828
<b>TOTAL</b>	<b>-</b>	<b>224826</b>
B] Deferred Revenue Expenditure	295296	442942
Less : Written Off	147646	147646
<b>TOTAL</b>	<b>147650</b>	<b>295296</b>
<b>TOTAL (A+B)</b>	<b>147650</b>	<b>520122</b>
<b>SCHEDULE - 8 INCOME FROM OPERATION</b>		
1) Management Services Receipt	3000000	3000000
2) Mutual Fund Dividend	367225	492072
3) Vehicle Operation Receipts	300000	300000
4) Accured Income on NSC	2582	2388
<b>TOTAL</b>	<b>3669807</b>	<b>3794460</b>

Amount in Rs.

Description	2009-10	2008-09
<b>SCHEDULE - 9 MANAGEMENT SERVICES EXPENSES</b>		
Bank Charges	8863	4118
Electricity Expenses	147999	100569
Office Expense	270440	188896
Office Maintainance Expenses	15442	61403
Postage & Telegraph	44838	28026
Presentation & Articles Expenses	-	74188
Professional Fees	241300	150500
Rent	0	360000
Reparing Exps.	59089	18512
Salary Expenses	335000	657250
Security Expenses	120824	99450
Staff Welfare Expenses	135635	26830
Stationary & Printing Exps.	98767	25086
Telephone Exps.	313283	249609
Traveling Exp.	244138	272146
Kasar Exps.	510	-
<b>ADMINISTRATIVE EXPENSES</b>		
Advertisement	117425	63914
Annual Lisiting Fees	46307	43000
Audit Fees	60665	55150
Demate Consulting Fees	27068	49411
Donation	-	70100
Filling Fees	1794	2056
Membership Fees	34873	33876
Professional Tax	2150	2093
Tax Audit Fees	16500	15000
<b>TAXES &amp; DUTIES</b>		
Rate & Taxes .	816	21837
Prior Period Tax	18103	7333
<b>OTHER EXPENSES</b>		
Defferred Revenue Exps. Written off	147646	147646
SEBI Settlement & Admn. Exps.	225000	-
Mutual Fund Redemption Discount	-	43160
Public Issue Exps. Written Off	224828	224828
Vehicle Operational Exps.	175094	267195
<b>TOTAL</b>	<b>3133997</b>	<b>3363181</b>

## **Schedule 10:**

### **Significant Accounting Policies and Notes on Accounts:**

#### **Nature of Operations:**

The Company's principal activity is providing management services to infrastructure sector and cement in particular. The company is establishing the salt pan project in the Kutchh District of Gujarat over an area of approx 3107 acres of land.

#### **(A) Significant Accounting Policies:**

##### **1) Basis of Preparation of Financial Statements:-**

The financial statements have been prepared to comply in all material respects with applicable Accounting Standards issued by the Institute of Chartered Accountants of India. The financial statements have been prepared under the historical cost convention on an accrual basis of accounting, in accordance with applicable mandatory accounting standards prescribed under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

##### **2) Use of Estimates:-**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

##### **3) Revenue Recognition:-**

Sales of products and services (net of service tax) are recognized when significant risks and rewards of ownership of products are passed on to customers or when the service has been provided.

Dividend income is recognized when the right to receive dividend is established.

Interest income is recognized on the time proportion method.

##### **4) Inventories:-**

Finished goods inventories are stated at lower of cost and net realizable value, as certified by the management.

##### **5) Fixed Assets:-**

Fixed assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. Cost of fixed assets comprises purchase price, duties, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Borrowing costs related to the acquisition or construction of the qualifying assets for the period up to the completion of their acquisition or construction is capitalized.

##### **6) Depreciation/Amortization:-**

Depreciation on assets is provided on the straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, which management considers as being representative of useful economic lives of such assets.

##### **7) Investments:-**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

##### **8) Provision, Contingent Liabilities and Contingent Assets:-**

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are disclosed by way of Notes to Accounts.

Contingent assets are not recognized in the financial statements.



**9) Taxation:-**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Minimum Alternate Tax (MAT) Credit is recognized as an assets only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the profit and loss account and shown as MAT credit entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT.

Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**10) Segment reporting:-**

**Identification of segments:**

The Company's operating businesses are organized and managed according to the nature of products and predominant source of the risk for the Company is business product, therefore business segment has been considered as primary segment. The analysis of geographical segments is based on the areas in which the Company operates.

**Segment policies:**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**11) Earning per share:-**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

**12) Impairment:-**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. For the purpose of accounting of impairment, due consideration is given to revaluation reserve, if any. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful lives.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**13) Borrowing costs:-**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**14) Leases:- N.A.**

**15) Employee benefits:-**

Retirement benefits in the form of Provident Fund contributed to Statutory Provident Fund is a defined contribution scheme and the payments are charged to the Profit and Loss Account of the year when the payments to the respective funds are due. There are no obligations for contribution payable to Provident Fund Authorities.

Superannuation Fund and Employees' State Insurance Corporation (ESIC) are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations for the contribution payable to the respective funds.

The company does not have gratuity Liability.

**16) Foreign Currency Transactions:- N.A.**

**17) Project Development Expenses Pending Adjustment**

Expenditure incurred during development and preliminary stages of the Company's new projects are carried forward. However, if any project is abandoned, the expenditure relevant to such project is written off through the natural heads of expenses in the year in which it is so abandoned.

**18) Other Accounting Policies:-**

These are consistent with the generally accepted accounting practices.

**(B) Notes to Accounts:**

1) Contingent Liability not provided for:

Particulars	Period to which the amount relates	Forum where the dispute is pending	Amount (Rs.)
Interest Tax	1995-96	High Court	312003
Interest Tax	1996-97	High Court	835549
Interest Tax	1997-98	High Court	764757
Total			1912309

- 2) The balances of sundry debtors, sundry creditors, loans and advances are subject to confirmation.
- 3) As explained to us, the provisions of Provident Fund Act, ESI Act, and Gratuity Act are not applicable to the Company.
- 4) The Company primarily deals in only one business segment i.e., "Management Service".
- 5) The public issue expenses and deferred revenue expenditure incurred are written off over a period of 10 years.
- 6) According to the information available with the Company, there are no amounts as at 31<sup>st</sup> March, 2010, due to suppliers who constitute a "Micro, Small and Medium Enterprises" as per MSMED Act, 2006.
- 7) The Board of Directors is of the opinion that all the liabilities have been adequately provided for.
- 8) There is no operational activity in the business of shares and securities, lease and in finance field.
- 9) We are informed by the management that there is no decline in price in respect of unquoted investments.
- 10) There was no impairment loss on Fixed Assets on the basis of review carried out by the Management in accordance with Accounting Standard-28 issued by the Institute of Chartered Accountants of India.

11) Earnings Per Share (EPS)

Particulars	2009-2010 (Amt. in Rs.)	2008-2009 (Amt. in Rs.)
Net profit as per profit and loss account	176327	87973
Less: Preference dividend and tax thereon	0.0	-
Net profit for calculation of basic/diluted EPS	176327	87973
Weighted average number of equity shares (in calculated basic/diluted EPS)	72000000	72000000
[Nominal value of shares Re.1 (Previous Year Re.1)]		
<b>Earnings per share</b>	<b>0.0024</b>	<b>0.0012</b>

12) Auditors' Remuneration

Particulars	2009-2010 (Amt. in Rs.)	2008-2009 (Amt. in Rs.)
As Auditor		-
- Statutory Audit	60665.00	55150.00
- Tax Audit	16500.00	15000.00
As Advisor, or in any other capacity	0.00	0.00
Reimbursement of expenses	0.00	0.00
<b>Total</b>	<b>77165.00</b>	<b>70150.00</b>

13) Directors' Remuneration

Particulars	2009-2010 (Amt. in Rs.)	2008-2009 (Amt. in Rs.)
Directors' Remuneration	540000.00	540000.00
Salaries	0.00	0.00
Perquisites	0.00	0.00
Contribution to provident and superannuation funds	0.00	0.00
Commission to Whole-time Directors	0.00	0.00
Directors' sitting fees	0.00	0.00
<b>Total</b>	<b>540000.00</b>	<b>540000.00</b>

14) Deferred Tax Liability Related to:

Sr. No.	Particulars	Deferred Tax Assets		Deferred Tax Liabilities		Net Balance	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
1	Differences in amounts of depreciation	0	229729	0	0	0	229729
2	Section 43B expenses deductible for tax purposes on payment basis	0	0	0	0	0	0
3	Other 132350	0	(132350)	(97379)	0	(97379)	
	Net deferred tax Asset / (Liability)	132350	229729	(132350)	(97379)	0	132350

P.N.: Deferred tax is measured based on the tax rates and the tax laws enacted by the Finance Act, 2010 @33.2175%.

15) Related Parties Disclosures under Accounting Standard 18

1) Related Party relationships :

Key Management Personal : Nandit V Raja , Managing Director  
Director's Remuneration Fees of Rs. 5,40,000/-  
Vipul H Raja, Promoter Director  
Transaction Value Rs. Nil

Signature to Schedule "1" to "10" forming part of Balance Sheet and Profit & Loss Account.

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As per our report of even date Attached  
For **NITINK SHAH & CO.**  
Chartered Accountants  
Firm Reg.No.107140W

**N K Shah**  
Proprietor  
M. No. 012398

Place : Ahmedabad  
Date : 22/06/2010

ON BEHALF OF THE BOARD OF DIRECTORS  
**VIPUL H RAJA**  
Chairman

**NANDIT V RAJA**  
Managing Director

Place : Ahmedabad.  
Date : 22/06/2010

**ADDITIONAL INFORMATION PURSUANT TO PART-VI OF SCHEDULE IV OF  
THE COMPANIES ACT, 1956.**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.**

I. Registration Details :

State Code :

Registration No.

Balance Sheet Date

Date	Month	Year
31	03	2010

**II Capital raised during the year (Amount in Rs. Thousands)**

Public Issue	<input type="text" value="Nil"/>	Right Issue	<input type="text" value="Nil"/>
Bonus Issue	<input type="text" value="Nil"/>	Private Placement	<input type="text" value="Nil"/>

**III Position of Mobilization and Deployment of Funds ( Amount in Rs. in Thousands)**

Total Liabilities	<input type="text" value="100222"/>	Total Assets	<input type="text" value="100222"/>
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SOURCE OF FUNDS

Paid up Capital	<input type="text" value="72000"/>	Reserve & Surplus	<input type="text" value="28222"/>
Secured Loans	<input type="text" value="Nil"/>	Unsecured Loans	<input type="text" value="Nil"/>

APPLICATION OF FUNDS

Net Fixed Assets	<input type="text" value="513"/>	Investments	<input type="text" value="21577"/>
Net Current Assets	<input type="text" value="77974"/>	Misc. Expenditure	<input type="text" value="147"/>
Accumulated Losses	<input type="text" value="Nil"/>		

#### IV Performance of Company (Amount Rs. In Thousands)

Turnover	3669	Total Expenditure	3361
Profit Before Tax	308	Profit After Tax	176
Earning per Share	0.0024	Dividend Rate	Nil

#### V Generic Names of three principal products/services of company

Item Code No. (ITC Code)

Nil

Product Description : Services, Investment, Trading.

As per our report attached of Even Date.

### SIGNATURES TO SCHEDULE 1 TO 10

ON BEHALF OF THE BOARD OF DIRECTORS OF  
SUMERU INDUSTRIES LTD.

Sd/-

**VIPUL H. RAJA**  
Chairman

**NANDIT V. RAJA**  
Managing Director

Date : 22/06/2010  
Place : Ahmedabad.

## CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31/03/2010

Amount in Rs.

S.No.	Particulars	2009-10	2008-09
<b>A</b>	<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before the year	308177	181684
	adjustment for	-	-
	Depreciation	227633	249595
	Dividend	(367225)	(492071)
	Amortisation of Deferred Revenue Exps.	147646	147646
	Public Issue Exps. W/Off	224828	224828
	Profit / Loss on sale of Mutual Fund and other investments(net)	-	43160
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>538476</b>	<b>354842</b>
<b>B</b>	<b>CHANGE IN WORKING CAPITAL</b>		
	Decrease / (Increase) in Debtors	9793772	(3953836)
	Decrease / (Increase) in Stock	710164	-
	Decrease / (Increase) in Advance for goods	8000000	500000
	Decrease / (Increase) in Other Current Assets	27418	(37388)
	Decrease / (Increase) in Creditors	-	(353246)
	Decrease / (Increase) in Kutchh Salt Project Expenses	(7291433)	(2174446)
	Decrease / (Increase) in Loans and Advances	3108353	(3907045)
	Decrease / (Increase) in Provisions	31155	-
	<b>CASH FLOW BEFORE TAX PAID</b>	<b>14827905</b>	<b>(9571119)</b>
	Direct Taxes paid	(372727)	(160253)
	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(14455178)</b>	<b>(9731372)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
	Sale of Mutual Funds and Other Investments	(13917225)	9480680
	Dividend Received from Mutual Fund	367225	492071
	Interst on NSC	2582	-
	Purchase of Fixed Assets	(17950)	(86524)
	<b>CASH FLOW FROM INVESTMENT ACTIVITY</b>	<b>7711781</b>	<b>32431294</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
	Increase in unsecured Loans	-	-
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	-	-
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>154855</b>	<b>154855</b>
	<b>CASH &amp; CASH EQUIVALENTS AS AT 01-04-2008</b>		
	<b>(OPENING BALANCE)</b>	<b>5045415</b>	<b>5045415</b>
	<b>CASH CASH EQUIVALENTS AS AT 31-03-2009</b>		
	<b>(CLOSING BALANCE)</b>	<b>5200270</b>	<b>5200270</b>

**NOTES:** 1. The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS-3), "Cash Flow Statements" issued by the Institute of Chartered Accountants of India 2.The previous year's figures have been regrouped wherever necessary. 3. Negative figures indicated in brackets.

As per our report of even date Attached

For **NITIN K SHAH & CO.**

Chartered Accountants

**Firm reg.No.107140W**

**N K Shah**

Proprietor

M. No. 012398

Place : Ahmedabad

Date : 22/06/2010

ON BEHALF OF THE BOARD OF DIRECTORS

**VIPUL H RAJA**

Chairman

**NANDIT V RAJA**

Managing Director

Place : Ahmedabad.

Date : 22/06/2010

To,

The Board of Directors,

**SUMERU INDUSTRIES LIMITED**

Ahmedabad

The above cash flow statement has been compiled from and is based on the audited accounts of SUMERU INDUSTRIES LIMITED for the year ended 31st March, 2010 according to the information and explanations given aforesaid cash flow has been prepared pursuant to clause 32 of listing agreement and the reallocations required for the purpose are as made by the company.

For **NITIN K SHAH & CO.**

Chartered Accountants

Firm Reg.No.107140W

**N. K. Shah**

Proprietor

M. No. 012398

Place : Ahmedabad

Date : 22/06/2010



**SUMERU INDUSTRIES LIMITED**

Sumeru Center, Nr. Parimal Crossing, C.G.Road,  
Ahmedabad - 3800 07.

DPID	
CLINT ID	

**PROXY**

NO. OF SHARES	
MASTER FOLIO NO.	

I/We \_\_\_\_\_ being Member(s) of Sumeru Industries Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ of falling him \_\_\_\_\_ of \_\_\_\_\_ of falling him \_\_\_\_\_ of \_\_\_\_\_ of my/our

proxy to attend and vote for me/us on my/our behalf at the 17th Annual General Meeting to be held at Sumeru Center, Nr. Parimal Crossing, C.G.Road, Ahmedabad at 9.30 am on 24-09-2010 the Friday. Or at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Signed by the said:

Folio No. :

No. of Shares:

Affix here Revenue Stamp
--------------------------------

Note : The proxy must be deposited at the Registered office of the company not less than 48 hours before the time fixed for holding the meeting.

**SUMERU INDUSTRIES LIMITED**

Sumeru Center, Nr. Parimal Crossing, C.G.Road,  
Ahmedabad - 380007.

DPID	
CLINT ID	

**ATTENDANCE SLIP**

NO. OF SHARES	
MASTER FOLIO NO.	

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Only members or their proxies are entitled to be present at the meeting.

Folio No. :

Name :

Address :

I hereby record my presence at the 17th Annual General Meeting held at Sumeru Center, Nr. Parimal Crossing, C.G.Road, Ahmedabad at 9.30 am on 24-09-2010 the Friday.

**SIGNATURE OF THE SHARE HOLDER/PROXY HOLDER**

\_\_\_\_\_

**Book - Post**

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# **SUMERU INDUSTRIES LIMITED**

**Regd. Off. : Sumeru centre, Nr. Parimal Crossing, C. G. Road, Ahmedabad - 380 007.  
Phone : (079) - 26652748, 26651357 - Fax : (079) - 26651664**