

#### **IV. CAUTIONARY STATEMENT:**

Certain statements in Management Discussion and Analysis Report describing the Company's analysis and interpretations are forward looking and may vary from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent development or events.

### **REPORT ON CORPORATE GOVERNANCE**

#### **I. Company's Philosophy on Code of Governance:**

The Company is committed to good corporate governance, envisages Commitment of the Company towards the attainment of high level of transparency, accountability and business propriety with the ultimate objective of increasing long terms shareholders value, keeping in view the needs and interest of all the stakeholders.

The provisions of Regulation 17 to 27 of SEBI (LODR) Regulation 2015 are not applicable to the Company as the Net Worth of the Company was less than INR 25 Crores and the Capital of the Company was less than INR 10 Crores during the year 2017 18.

#### **II. Board of Directors and Composition:**

During the year the board of the Company is composed of experienced Directors.

The composition of the Board is in conformity with provisions of Section 149 of the Act. As on 31<sup>st</sup> March, 2018, the Board comprised of 3 Directors, who brings in a wide range of skills and experience to the Board. The Chairman is Executive Director, one Non Executive Professional Director and one Independent Director.

During the year, Five Board Meetings were held. The dates on which the meetings were held are as follows: 10.04.2017, 24.05.2017, 14.08.2017, 21.08.2017, 14.12.2018, 14.02.2018 and 25.03.2018. The maximum time gap between any two meetings was not more than four calendar months. None of the directors of the company was a member of more than 10 committees nor was the chairman of more than 5 committees across all companies in which he/she was a director. The Composition of the Board during the year and their attendance record was as under:

Sr. No	Name of Director	Designation	Attendance Particulars		Total Nos. of other Directorship and Committee Membership			
			BM	AGM	Directorship		Memberships	
					Pub.	Pvt.	Pub.	Pvt.
1	Naman Shah	D	7	1	-	1	-	-
2	Maneklal Patel	NED	7	1	1	1	-	-
3	Kalaben Sharma	WID	7	1	-	1	-	-

D – Director, ID – Independent Director, WID – Woman Independent Director, NED – Non Executive Director.

### **III. Audit and risk management Committee:**

The Audit Committee is constituted in line with the Provision of Section 177 of Companies Act 2013. The provisions Regulation 18 of SEBI (LODR) Regulations, 2015 is not applicable to the Company.

The Audit Committee met 4 times on 24<sup>th</sup> May 2017, 21<sup>st</sup> August 2017; 14<sup>th</sup> December 2017 and 14<sup>th</sup> February 2018 and statutory auditors also attended the meeting and attendance of the members was as under;

#### **Composition and Attendance of Audit Committee:**

<b>Name of Members of Audit Committee</b>	<b>Designation</b>	<b>24.05.2017</b>	<b>21.08.2017</b>	<b>14.12.2017</b>	<b>14.02.2018</b>
Ms. Kalaben Sharma	Chairman	√	√	√	√
Mr. Naman Shah	Member	√	√	√	√
Mr. M S Patel	Member	√	√	√	√

### **IV. Nomination Remuneration Committee:**

The Remuneration Committee met twice during the year on 03<sup>rd</sup> October, 2017 and 15<sup>th</sup> February, 2018. The nomination and remuneration committee of the Company is constituted in line with the provisions of Section 178 of the Act. Provisions of Regulation 19 of SEBI (LODR) Regulations 2015 are not applicable to the Company.

The constitution of the committee and the attendance of each member during the year is as given below:

<b>Name of Members of Nomination Committee</b>	<b>Designation</b>	<b>03.10.17</b>	<b>15.02.18</b>
Ms. Kalaben Sharma	Chairman	√	√
Mr. Naman Shah	Member	√	√
Mr. M S Patel	Member	√	√

No remuneration was paid to any present Director during the year.

### **V. Stakeholders Relationship Committee:**

The stakeholders' relationship committee is constituted in line with the provisions of Section 178 of the Act. Provision of Regulation 20 of SEBI (LODR) Regulation 2015 is not applicable to the Company. The Stakeholders Relationship Committee met Four times during the financial year. The details of the meeting attended by the Directors are as given below:

<b>Name of the Member</b>	<b>Category</b>	<b>Chair Person / Member</b>	<b>No of meetings attended as a member.</b>
Ms. Kalaben Sharma	Independent Director	Chairperson	4
Mr. Naman Shah	Director	Member	4
Mr. M S Patel	Non executive Director	Member	4

During the year, no complaints received. No request for share transfer or duplicate shares or Demat was received during the year.

## VI. General Body Meetings:

Details of Annual General Meeting of the company held during the last three years are given below:

Meeting	Date	Time	Venue	Nos. of resolution passed.
31 <sup>st</sup> AGM	30.09.2015	10.00 AM	60, Vadhawa Complex, Mandi Kesar Ganj, Nr. Union Bank of India, Ludhiana, Punjab - 141008	7 Ordinary Resolution 2 Special resolution
32 <sup>nd</sup> AGM	30.09.2016	10.00 AM	60, Vadhawa Complex, Mandi Kesar Ganj, Nr. Union Bank of India, Ludhiana, Punjab - 141008	2 Ordinary Resolution
33 <sup>rd</sup> AGM	30.09.2017	05: PM	60, Vadhawa Complex, Mandi Kesar Ganj, Nr. Union Bank of India, Ludhiana, Punjab - 141008	3 Ordinary Resolution

During the year, Company has not passed any Resolution in Extra Ordinary General Meeting or through Postal Ballot.

## VII. Disclosures:

1.1 There were no materially significant related party transactions i.e. transaction of the Company of material nature with its Promoters, Directors or the Management or their relatives etc. that would conflict with the interests of the Company.

1.2 The Company has Whistle Blower Policy (WBP) in line with Regulation 22 of the SEBI (LODR) Regulations, 2015. The Company affirms that no employee has been denied access to the Audit Committee. However Provisions of Regulation 22 of SEBI (LODR) Regulation 2015 is not applicable to the Company.

1.3 All mandatory requirements as per SEBI (LODR) Regulations, 2015 have been complied with by the Company.

1.4 The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.

1.5 In terms of SEBI (LODR) Regulations, 2015 the person heading the finance function has made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board. (The Company is in search of appropriate candidate for the post of Chief Financial officer.)

## **Code of Business Conduct**

The Company has adopted a Code of Business Conduct based on the business principles of the Company. The Company has revised its' Code of Business Conduct *inter-alia* to include the Independent Directors under the purview of the Code of Business Conduct in accordance with the provisions of the Act and SEBI (LODR) Regulations 2015. The Code of Business Conduct has also been posted on the official website of the Company. In compliance with the Code, Directors and Senior Management of the

Company have affirmed their compliance with the Code for the year under review. A declaration to this effect signed by the Director forms part of this annual report.

### **Whistle Blower Policy**

The Company has adopted a Whistle Blower Policy through which the Company has institutionalized a mechanism for the Stakeholders to disclose their concerns and grievances on unethical behavior and improper / illegal practices and wrongful conduct taking place in the Company for appropriate action.

### **Auditor Qualification**

Company's financial statements are unqualified.

### **Reporting of Internal Auditors**

The Internal Auditors give quarterly presentation on their audit observations to the Audit and Risk Management Committee.

### **VIII. Means of Communication:**

During the year, quarterly unaudited financial results with Limited Review Report and annual audited financial results of the Company with Auditors' Report thereon were submitted to the stock exchanges upon their approval by the Board of Directors. The Company publishes its' financial results in two newspapers having wider circulation. The Company's official website, also displays the official news releases of relevance and presentations for investors, in addition to the financial results.

The Company will be sending soft copies of Annual Report for the FY 2017-18 to those shareholders whose email IDs are registered with the Depository Participants (DPs) and / or with the Company's Registrar and Share Transfer Agent, unless they have opted for a physical copy, to support the "Green Initiative in Corporate Governance", an initiative taken by the Ministry of Corporate Affairs.

### **IX. General Shareholder Information:**

#### **a) Annual General Meeting Details**

34<sup>th</sup> Annual General Meeting

**Date** : 29/09/2018, Saturday.

**Time** : 03.00 p.m.

**Venue** : B-304, Silver Gardeniya Nr. Manan Auto Vill: Gota(Gseb) Ahmedabad-382481, Gujarat.

#### **b) Financial Year [Tentative]:**

Financial year : 01/04/2018 to 31/03/ 2019.

- First Quarter Results : Second week of August, 2018.

- Second Quarter Results : Second week of November, 2018.

- Third Quarter Results : Second week of February, 2019.

- Report for the year end : Last week of May, 2019.

#### **c) Date of Book closure:**

The Share Transfer Books of the Company shall remain closed from 24<sup>th</sup> September 2018 to 29<sup>th</sup> September 2018. (Both the days inclusive.)

#### **d) Dividend Payment Date:** The Board of Directors do not recommend any Dividend.

**e) Listing on Stock Exchanges:**

1) The BSE Limited - 538504

The Company has established Demat Connectivity with NSDL and CDSL both. ISIN – INE896P01011.

**f) Market Price Data and Performance:**

During the period 2017 18, shares of the Company have not been traded over the platform of BSE Limited. Hence no data can be produced.

Distribution of Shareholding as on 31<sup>st</sup> March 2018.

**By size of shareholding:**

Nos. of shares	Nos. of shareholders	% of shareholders	Nos. of shares	% of shareholding
Up to 500	624	61.84	83307	1.67
501 to 1000	204	20.22	198345	3.97
1001 to 2000	24	2.38	32775	0.65
2001 to 3000	8	0.79	20020	0.40
3001 to 4000	11	1.09	39903	0.80
4001 to 5000	14	1.39	67014	1.34
5001 to 10,000	35	3.47	263454	5.27
10001 above	89	8.82	4295182	85.90

**By Category of shareholders**

Sr. No	Category	Nos. of Shares	% of Capital	Nos. of Shareholders	% of Shareholders
1	Individual	2610124	52.20	903	89.49
2	Bodies Corporate	1026948	20.54	67	6.64
3	Clearing Member	88757	1.78	11	1.09
4	Foreign Portfolio Investors	16250	0.325	3	0.30
4	Promoter	333507	6.67	3	0.30
5	N. .R. I. (Repat)	892387	17.85	10	0.99
6	Hindu Undivided Family	32027	0.64	12	1.19

**Dematerialization of shares and liquidity**

Equity shares of the Company can be traded in dematerialized form by the investors. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Demat security (ISIN) code for the equity shares is INE896P01011.

**Share Transfer System**

Powers to approve share transfers and related requests have been delegated to the Registrar and Share Transfer Agent of the Company by the Stakeholders Relationship Committee for expeditious disposal of shareholders' requests and complaints.

The transferred securities are dispatched to the transferees within the stipulated time. Details of transfers / transmission approved by the delegates are noted by the Stakeholders Relationship Committee at its next meeting.

**Outstanding GDRs / ADRs / Warrants and other convertible instruments etc.**

The Company has not issued any ADR, GDR or convertible instruments till date.

**Registered office:**

B-304, Silver Gardeniya Nr. Manan Auto Vill: Gota(Gseb) Ahmedabad- 382481, Gujarat.  
Email id: [creativemerchants1984@gmail.com](mailto:creativemerchants1984@gmail.com) website: [www.creativemerchants.co.in](http://www.creativemerchants.co.in)

**Registrar & Transfer Agents:**

The Company has appointed Registrar & Transfer Agent. All the share transfer related work is being carried out by the Registrar & Transfer Agent. The details of Registrar and Share Transfer Agent are as under:

**Accurate Securities and Registry Pvt. Ltd**  
**Registrar and Share Transfer**  
**23, 3<sup>rd</sup> Floor, Sarthik Complex,**  
**Nr. Iscon Cross Road, Satellite,**  
**Ahmedabad – 380015.**

**Place: Ahmedabad**  
**Date: 06.09.2018**

**For and on behalf of the Board**  
**Creative Merchants Limited.**  
**Sd/-**  
**Naman Shah**  
**Director**