

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of maximizing stakeholder's value and discharge of social responsibility. The Corporate Governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organization. The Company has adopted the requirement of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure requirements of which are given below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings to ensure the efficient conduct of the affairs of the Company to achieve its goal of maximizing value for all its stakeholders.

2. BOARD OF DIRECTORS

- (i) Composition of Board, Directorships and Committees position held in other Companies as at 31st March, 2016.

Director	Executive / Non-Executive/ Independent	No. of outside Directorship Held	Outside Committees#	
			As Chairman	As member
Mr. M. V. S. Kishore	Executive	2	None	None
Mr. Rupesh Roongta	Executive	1	None	None
Mr. Rajesh Sodani	*Non-Executive	1	None	None
Mr. Avinash Kumar Ardawatia	*Non-Executive	0	None	None
Mrs. Khyati Girish Bhatt	*@ Non-Executive	2	None	None

@from 30-06-2015

* Also Independent

Only three Committees viz. Audit Committee, Shareholders' Relationship Committee and Nomination and Remuneration committee are considered for this purpose

Independent Director is defined as one who apart from receiving sitting fee as a Director, does not have any other material pecuniary relationship or transactions in his personal capacity with the Company, its promoters & management

(ii) Board Meetings:

In financial year 2015-16, the Board met 8 times. The meetings were held on 01.04.2015, 15.05.2015, 30.05.2015, 30.06.2015, 14.08.2015, 03.09.2015, 09.11.2015 and on 13.02.2016.

Attendance of Directors in meetings held during the financial year 2015-2016.

Name of Directors	No. of Board Meeting attended in F.Y. 2015-2016	Attendance of Last AGM (30-09-2015)
Mr. M. V. S. Kishore	8	Yes
Mr. Rupesh Roongta	8	Yes
Mr. Rajesh Sodani	8	Yes
Mr. Avinash Kumar Ardawatia	8	Yes
Mrs. Khyati Bhatt	5	Yes

(iii) Disclosure of relationships between Director inter-se:

Table given below shows the relationship between the Directors:

Name of the Directors	Category	Relationship between Directors Inter-se
Mr. M. V. S. Kishore	Promoter	None
Mr. Rupesh Roongta	Promoter	None
Mr. Rajesh Sodani	Independent	None
Mr. Avinash Kumar Ardawatia	Independent	None
Mrs. Khyati Bhatt	Independent	None

(iv) Shareholding of Non- Executive Directors in the Company

The Shareholding of the Non- Executive Directors in the Company as on 31.03.2016:

Name of Directors	Category	No. of Shares held
Mr. Rajesh Sodani	Non-Executive Independent	NIL
Mr. Avinash Kumar Ardawatia	Non-Executive Independent	NIL
Mrs. Khyati Bhatt	Non-Executive Independent	NIL

(iii) Familiarization programmes for Independent Directors:

Every Independent Director of the Company is provided with ongoing information about the industry and the Company so as to familiarize them with the latest developments. The questionnaires are prepared considering the business of the Company.

The details of the Policy for the familiarization programmes for the Independent Directors are hosted on the website of the Company which can be accessed at the website: www.nexuscomtech.com

3. AUDIT COMMITTEE

(i) Terms of Reference

The Audit Committee has been mandated with the terms of reference as specified in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & enumerated in Section 177 of the Companies Act, 2013 and covers all the aspects stipulated by the SEBI Guidelines.

(ii) Composition of the Committee:

The Audit Committee is comprised of two independent directors and one executive director. During the financial year ended 31.03.2016, four Audit Committee Meetings were held on 30-05-2015, 14-08-2015, 09-11-2015 and 13-02-2016.

The composition of the Audit Committee and the attendance of each Director at their meetings are as follows:-

Name	Designation	Category	No. of Meetings attended during the year 2015-16
Mr. Rajesh Sodani	Chairman	Non-Executive Independent Director	4
Mr. Avinash Kumar Ardawatia	Member	Non-Executive Independent Director	4
Mr. M. V. S. Kishore	Member	Executive	4

Ms. Monika Choudhary, Company Secretary of the Company, acts as Secretary to the Audit Committee.

(iii) **Invitee:** (being entitled to attend as per relevant provisions of applicable laws / rules and/or as and when felt necessary)

(a) The Statutory Auditors viz. M/s. RAJAND RAVI.

(iv) The Chairman of the Audit Committee attended the Annual General Meeting held on 30th September, 2015 and provided clarifications to the members of the Company on the matters relating to Accounts and finance.

(v) An Audit Committee meeting was held on 30th May, 2015 where the Annual Financial Statements for the year ended 31st March, 2015 were reviewed and examined by the members of the Audit Committee before recommendation of the same to the Board of Directors for their perusal and adoption.

The Audit Committee reviewed the Quarterly/ Half Yearly Unaudited Financial Results on the following dates before recommending the same to the Board.

Financial Reporting	Date of Approval by Audit Committee
Quarter/Year ended 31st March, 2015	30th May, 2015
Quarter ended 30th June, 2015	14th August, 2015
Quarter/Half Year ended 30th Sept. 2015	9th November, 2015
Quarter ended 31st December, 2015	13th February, 2016

4. NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provisions of Section 178 of the Companies Act, 2013 and requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has proper constitution of Nomination and Remuneration Committee and the terms of reference before the Committee are as under:

(i) Terms of Reference

- (a) The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- (b) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

Remuneration Policy: The Company's remuneration policy aims to attract and retain talent and is in accordance with the industries practices. The policy ensures equity, fairness and consistency in rewarding the employees on the basis of performance against earmarked objectives.

The components of the total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him.

(ii) Composition, Name of Members and Chairman

The Nomination and Remuneration Committee is comprised of three Non-executive independent Directors. During the financial year 2015-16, three Committee Meetings were held on 01-04-2015, 30-06-2015 and on 13-02-2016.

The composition of the Nomination and Remuneration Committee and the attendance of each Director at their meetings are as follows:-

Name	Designation	Category	No. of Meetings attended during the year 2015-16
Mr. Avinash Kumar Ardawatia	Chairman	Non-Executive Independent Director	3
Mr. Rajesh Sodani	Member	Non-Executive Independent Director	3
Mr. M.V.S. Kishore*	Member	Executive	2
Mrs. Khyati Bhatt#	Member	Non-Executive Independent Director	1

*upto 13-02-2016
#w.e.f 13-02-2016

(iii) Performance Evaluation Criteria for Independent Directors:

Pursuant to the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has evaluated the performances of each Independent Director. The Evaluation framework for assessing the performance of Independent Directors comprises of the following key areas:

- a) Attendance of Board and Committee Meetings;
- b) Quality of contribution to Board deliberations;
- c) Strategic perspectives or inputs regarding future growth of the Company and its performances;
- d) Providing perspectives and feedback going beyond information provided by the management.

5. REMUNERATION OF DIRECTORS:

- a) Pecuniary relationship or transactions of the non-executive directors:

The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2015-16.

- b) Criteria of making payments to non-executive directors: None of the Non - Executive Directors is being paid any remuneration.
- c) Details of remuneration/sitting fees paid to Directors during the year ended 31st March, 2016 and shares held by them on that date are as follows:

Name	Remuneration	Share held
Rupesh Roongta	Rs. 4,80,000/-	NIL

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

In accordance with the provisions of Section 178(5) of the Companies Act, 2013 and requirements of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the terms of reference before the Stakeholders Relationship Committee of the Board are as under:

- (i) The Company has a 'Stakeholders Relationship Committee' to review transfer and transmission of securities, issue of duplicate certificates, review of share dematerialization and rematerialization, monitoring the performance of company's Registrar and Transfer Agent and deals with other Shareholder related issues.
- (ii) The Committee headed by Mr. Rajesh Sodani, Non-executive Independent Director. The Committee met twice during the year 2015-16 on 30-06-2015 and 09-11-2015. The Committee comprises of Two Non-executive and Independent Directors and One Executive Director, Details of composition are as under:

Name	Designation	Category	No. of Meetings attended during the year 2015-16
Mr. Rupesh Roongta	Member	Executive Director	2
Mr. Avinash Kumar Ardawatia	Member	Non-Executive Independent Director	2
Mr. Rajesh Sodani	Chairman	Non-Executive Independent Director	2

- (i) Mr. Rupesh Roongta has been designated by the Board as the 'Compliance Officer' of the Company for complying with the requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, Mumbai.
- (ii) Number of Shareholders' complaints received during the year : Nil
- Number not solved to the satisfaction of the Shareholders : Nil
- Number of pending share Transfers : Nil

7. GENERAL BODY MEETINGS:

- (i) Details of the last three Annual General Meetings:

Financial Year	Date of the meetings	Venue	Time
22nd	30-09-2013	1, Annai Avenue Main Road, (Agraharam), 1st Floor, Nr. Seetharaman Kalyana Mandapam, Koratur North, Chennai - 600 076.	10.30 a.m.
23rd	30-09-2014	1, Annai Avenue Main Road, (Agraharam), 1st Floor, Nr. Seetharaman Kalyana Mandapam, Koratur North, Chennai- 600 076.	10.30 a.m.
24th	30-09-2015	1, Annai Avenue Main Road, (Agraharam), 1st Floor, Nr. Seetharaman Kalyana Mandapam, Koratur North, Chennai- 600 076.	11.00 a.m.

- (ii) Special Resolution passed in previous three AGMs:

AGM Date	Special Resolutions passed
30-09-2013	No Special Resolution was passed
30-09-2014	No Special Resolution was passed
30-09-2015	No Special Resolution was passed

- (iii) Postal Ballot: During the year 2015-16, there was one special resolution passed through postal ballot process for shifting of registered office from Tamilnadu to Maharashtra.

None of the business is proposed to be transacted through Postal Ballot.

8. MEANS OF COMMUNICATION.

Quarterly Results	The quarterly results as approved and taken on record by the Board of Directors of the Company generally within one and half month of the close of each quarters are sent forthwith to the Bombay Stock Exchange and published in the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Which newspaper normally published in	Business Standard (English Newspaper) Malai Subhar (Regional Language Newspaper)
Any website where displayed	www.nexuscomtech.com
Whether it also displays official news release	No
Whether presentations made to institutional investors or to analyst	No request as such was received

9. GENERAL SHAREHOLDERS INFORMATION

(i) Next AGM:		
Date	Time	Venue
30.09.2016	11.00 a.m.	1, Annai Avenue Main Road, (Agraharam), 1st Floor, Near Seetharaman Kalyana Mandapam, Koratur North, Chennai - 600 076.
(ii) Financial Year		1st April to 31st March
(iii) Dividend Payment Date		Not Applicable
(vi) Listing on Stock Exchanges:		The Shares of the Company are listed at Bombay Stock Exchange Limited, Mumbai
(v) Listing Fees		The Company is yet to pay the listing fees to the BSE Limited for the financial year ended 31st March, 2016.
(vi) Stock Code BSE ISIN		538874 INE370Q01015
(vii) Depository Connectivity		National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL)
(viii) Stock Market Data		No data is available since no trade has taken place during the financial year 2015-16.
(ix) Performance of the share price of the Company in comparison to the BSE Sensex:		No trade has taken place during the financial year 2015-16.

(x)	<p>Registrar & Transfer Agents: The Company has appointed Purva Shareregistry (India) Pvt. Ltd. as a common agency for share registry work (both physical & electronic) for all matters connected with transfers and transmission of shares and also dematerialization of shares and other related functions.</p> <p>PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED Unit no. 9, Shiv Shakti Industrial Estate, Gr. Floor, J. R. Bhoricha Marg, Lower Parel (East), Mumbai - 400 011.</p>
(xi)	<p>Share Transfer System: With a view to expedite the process of share transfers, the Board of Directors has delegated the power of share transfer to Shareholders Relationship Committee of the Board. The shares for transfer received in physical mode by the Company, are transferred expeditiously and thereafter, option letter is sent to the transferee(s) for dematerialization, Confirmation in respect of the request for dematerialization of shares is sent to the respective depositories, i.e. National Security Depository Limited (NSDL) and Central Depository Services (India) Limited within 7 days.</p>

(xii) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2016**(a) According to Category holdings**

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of shares
Promoters				
Individual	4	0.57	353125	6.45
Corporate Bodies	1	0.14	1015000	18.55
Public				
Individual/HUF	698	99.01	4092275	74.79
Corporate Bodies	2	0.28	11500	0.21
Total	705	100.00	5471900	100.00

(b) According to Number of Equity Shares

Nominal Value of Equity Shares held	No. of shareholders	% of total shareholders	No. of shares	% of shareholding
1-5000	434	61.56	632	0.01
5001-10000	17	2.41	17000	0.31
10001-20000	6	0.85	11500	0.21
20001-30000	8	1.14	24000	0.44
30001-40000	6	0.85	24000	0.44
40001-50000	46	6.53	230000	4.20
50001-100000	78	11.06	688943	12.59
100000 & above	110	15.60	4475825	81.80
Total	705	100.00	5471900	100.00

(xiii) Dematerialization of Shareholding and liquidity

89.61% Company's Equity shares are Dematerialized as on 31.03.2016

(xiv) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity	Not Applicable
(xv) Commodity Price risk or foreign exchange risk and hedging activities.	The Company did not engage in Commodity & hedging activities during the year.
(xvi) Plant Locations	The Company is not engaged in any manufacturing activities hence do not have any plant.
(xvii) Address for Correspondence	The shareholders may address their communications/suggestions/grievances/queries to our share transfer agent: PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED Unit No. 9, Shiv Shakti Industrial Estate, Gr. Floor, J. R. Bhoricha Marg, Lower Parel, Mumbai – 400 011.

10. DISCLOSURES:

Disclosure on materially significant related party transactions i.e. transactions of the Company of Material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large	There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management or relatives etc. during the year, that may have potential conflict with the interests of the Company at large.
Details of Non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority or any matter related to Capital Market during last three years.	None
Details of establishment of vigil mechanism / whistle blower policy	The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy.
Details of compliance with mandatory requirements and adoption of non-mandatory requirements	The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement (upto 30th November, 2015) and Regulation 27 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (w.e.f. 1st December, 2015). The Details of these compliances along with the non-mandatory requirements adopted by the Company have been given in the relevant section of this report.
Material Subsidiary	The Company has no material Subsidiary
Web link for policy on dealing with related party transactions	www.nexuscomtech.com

11. COMPLIANCE OF THE REQUIREMENTS OF CORPORATE GOVERNANCE REPORT:

During the year 2015-16, the Company has complied with the requirements of Corporate Governance Report as mentioned in sub-paras (2) to (10) of Para C of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

12. DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has adopted following non-mandatory requirements of Regulation 27 and Part E of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

- a) Reporting of Internal Auditor – The Internal Auditor directly reports to the Audit Committee.

13. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE:

The Company has complied with the Regulations 17 to 27 and Clauses (b) to (i) sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the year 2015-16, wherever applicable.

14. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/ bonus/ right issues as at 31st March, 2016. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

DECLARATION – CODE OF CONDUCT

I, Rupesh Roongta, Director of the Company, do hereby declare that all the Board members and Senior management personnel of the Company have affirmed their compliance on an annual basis with the Code of Conduct as laid down by the Company pursuant to requirements of para D of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Place: Chennai
Dated: 30th May, 2016

Rupesh Roongta
DIN: 02576510
Director

AUDITORS COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**To the members of Nexus Commodities and Technologies Limited**

We have reviewed the compliance of conditions of Corporate Governance by Nexus Commodities and Technologies Limited for the year ended 31st March, 2016 as stipulated in para E of Schedule V the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange:

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 in all material respect as stipulated in the above mentioned listing agreement.

We state that there are no investor grievance(s) pending for a period exceeding one month against the company as per the report given by the Registrars of the Company and placed before the Investor Grievance Committee.

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

For **RAJ AND RAVI**
Chartered Accountants

V. RAJ
Partner
Membership No. 23211
Firm Registration No. 109355

Place: Chennai
Dated: 30th May, 2016