

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance which has become the integral part of business operations encompasses the key elements such as integrity, transparency, fairness, and adoption of highest standards of business ethics to benefit the interest of the stakeholders. The Company has been practicing the principles of good Corporate Governance by adopting best global practices for corporate governance, disclosure standards while protecting the interests of stakeholders in every business decision. The Company endeavor to achieve high level of transparency, integrity and equity in all its operations, monitors continuously the developments in the areas of Corporate Governance to meet stakeholders aspirations and societal expectations.

### 2. BOARD OF DIRECTORS

#### a. Composition

Company is managed by the Board of Directors, which formulates strategies, policies, and procedures and reviews its performance periodically. The Chairman, Krishnakumar Somani is a Non-Executive Director. Mr. Bharat Somani is the Whole time Director of the Company and the only Executive Director on the Board. The business of the Company is carried on by the Managing Director under the overall supervision and control of the Board of Directors. There was no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year under review.

#### b. The composition of Board and attendance of Directors:

Name (M/s)	Status	Attendance in Board Meetings		Attendance in last AGM held on 29/09/11	Other Directorships	Committee Members (Chairman)
		Held	Yes/No			
Krishnakumar Somani	Chairman	4	4	Yes		
Bharat Somani	Whole Time Director	4	4	Yes	-	-
Vikram Somani	Director	4	4	Yes	-	-
Govindlal Manasawala	Director	4	4	Yes	-	-
Krishnagopal Gupta	Director	4	4	Yes	-	-

#### c. Number of Board meetings

The Board Meetings are held at least four times a year one for each quarter. Board of Directors met 4 times during the year 2010-11 viz, 22nd April, 2010, 28<sup>th</sup> August, 2010, 16<sup>th</sup> November 2010 & 18<sup>th</sup> January' 2011. The intervene period between two Board meetings was well within the maximum gap of four months as prescribed under Clause-49. The annual calendar of meetings is broadly determined at the beginning of each year.

#### d. Board Agenda

The meetings are governed by a structured Agenda. All Agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are generally circulated well in advance to the Board Members. The governance include an effective post meeting follow-up, review and reporting process for action taken/pending on the decisions of the Board and the Committees.

### 3. COMMITTEES OF THE BOARD

The Board has constituted audit committee for smooth and efficient operation of the Company. The terms of reference of the Committees are laid down by the Board from time to time. Meetings of each Board Committees are convened by the Chairman of the respective Committees. The minutes of the meetings of the Committee are placed before the subsequent meeting of the Board. The role, composition of the Committees and other information of the few Committees are provided below:

#### AUDIT COMMITTEE

The Audit Committee primarily oversees the Company's financial reporting process and disclosure of its financial information to ensure the correctness and adequacy. The Committee provides reassurance to the Board on the existence of effective internal control system.

**Terms of Reference**

- Overseeing of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Discussion with internal auditors any significant findings and follow up there on.

**Composition**

The Audit Committee comprises 4 members, all being Non-executive Directors of which 2 are independent. All members of Audit Committee have sound financial management expertise. During the year, the Committee met on four occasions on 22nd April, 2010, 28th August, 2010, 16th November 2010 & 18th January’ 2011.

<b>Attendance Name</b>	<b>Meetings held</b>	<b>Meetings attended</b>
Govindlal Manasawala	4	4
Vikram Somani	4	4
Krishnagopal Gupta	4	4

**SHAREHOLDERS GRIEVANCES COMMITTEE:**

The Scope of the Committee is to look in to the matter of share holders grievances in respect of share transfer, transmission, and other related matter.

<b>Attendance Name</b>	<b>Meetings held</b>	<b>Meetings attended</b>
Krishnakumar Somani	4	4
Govindlal Manasawala	4	4
Krishnagopal Gupta	4	4

**4. GENERAL BODY MEETING**

**Details of past three Annual General Meetings:**

<b>Year</b>	<b>Date</b>	<b>Time</b>	<b>Special Resolutions passed</b>
2008-09	24th September 09	11.00 am	None
2009-10	28th September 10	11.00 pm	None
2010-11	28th September 11	11.00 am	None

**5. DISCLOSURES**

Related party transactions during the year have been disclosed in the annual report else where as required under Accounting Standard-18 issued by the Institute of Chartered Accountants of India. There has been no non-compliance by the Company or penalty or strictures imposed on the Company by the Stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 years. In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied are set out in the Annexure to Notes to the Accounts.

**6. MEANS OF COMMUNICATION**

The Financial results of the Company are published in national and local daily newspapers.

**7. GENERAL SHAREHOLDER INFORMATION**

**1. Registered Office of the Company**

G.D Somani Marg, Panchak,  
NASHIK ROAD-422101

**2. Forthcoming Annual General Meeting**

28th September 2012

**3. Financial Calendar -2011-12 (Proposed)**

First quarter results	July 2012
Annual General Meeting	September 2012
Second quarter results	October 2012
Third quarter results	January 2012
Fourth quarter and Annual results	April 2012

**4. Book Closure Dates**

21st September 2012 to 26<sup>th</sup> September 2012 (both days inclusive)

**5. Listing on Stock Exchanges**

The shares of the Company are listed on Bombay Stock Exchanges.

**6. Stock Code**

Stock Exchange	Stock Code
Bombay Stock Exchange Limited PhirozeJeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	516038

**7. Depository Connectivity**

	ISIN No
National Securities Depository Limited (NSDL)	INE737E01011
Central Depository Services (India) Limited (CDSL)	

**8. Share Transfer System**

As per the directions of SEBI, the Company immediately on transfer of shares, sends letters to the investors, in the prescribed format, informing them about the simultaneous transfer and dematerialization option available for the shares transferred in their names.

**9. CATEGORIES OF SHAREOWNERS AS ON 31/03/2012**

Category	No. of Share owners	No. of Shares Held	Voting Strength (%)
Promoters, Relatives/ Associates	11	6,94,130	49.50
Bodies Corporate (Domestic)	36	96,934	6.91
Banks, Mutual Funds & Financial Institutions	12	1,59,954	11.41
Foreign Institutional Investors (FIIs)	-	-	-
NRI /OCBs/ Foreign Nationals	7	4,802	0.34
Clearing Member, Trust, Resident (Public & others)	2061	4,46,330	31.84
<b>Total</b>	<b>2128</b>	<b>1402150</b>	<b>100.00</b>

**10. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

Certificate from the Practicing Company Secretary GMJ & Associates Mrs .Alka Modi, Mumbai confirming compliance certificate with the conditions of corporate governance as stipulated under clause 49 of the listing agreement forms part of the Annual Report.

**11. ADDRESS FOR COMMUNICATION -**

Indian Mercantile Chambers, 3rd Floor, R. Kamani Marg, Ballard Estate, Mumbai 400001

**REGISTRARS AND SHARE TRANSFER AGENTS**

**Adroit Corporate Services Pvt Ltd.**

16/1920, Jafferbhoy Ind Estate, Makwana Marg, Marol Naka, Andheri(E), Mumbai 400 059

**CHIEF EXECUTIVE OFFICER and/or  
CHIEF FINANCIAL OFFICER'S CERTIFICATION**

To,  
The Board of Directors of Soma Papers and Industries Ltd.

I Bharat Somani, Whole Time Director of Soma Papers and Industries Ltd. to the best of my knowledge and belief certify that

1. review of financial statements and the cash flow statement for the year ended 31/03/11 had been done and that to the best of their knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. they accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and there are no deficiencies in the design or operation of internal control.
4. they have indicated to the Auditors and the Audit Committee, that there are no
  - i. significant changes in internal control during the year
  - ii. significant changes in accounting policies during the year
  - iii. instances of significant fraud of which they become aware of or the involvement therein, if any, by the management or an employee having a significant role in the company's internal control system.

For and on behalf of the Board

Sd/-  
**(BHARAT SOMANI)**  
Executive Director  
Mumbai, September 4, 2012

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE  
TO THE MEMBERS OF SOMA PAPERS AND INDUSTRIES LTD.**

We have examined the compliance of conditions of Corporate Governance of Soma Papers and Industries Ltd. ("the Company"), for the year ended on 31 March 2011, as stipulated in 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 procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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 Jain Maheshwary & Co.  
Chartered Accountants

Sd/-  
Dharmesh Shah  
Partner  
September 4, 2012  
Membership No. 106620

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**DECLARATION ON CODE OF CONDUCT**

To,  
The Members of Soma Papers & Industries Ltd.

This is to confirm that Board has laid down a code of conduct for all Board members and senior management of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the code of conduct of the Company as at March 31, 2012, as envisaged in Clause 49 in the listing Agreement with stock exchanges.

For and on behalf of the Board

**(BHARAT SOMANI)**  
Executive Director  
Mumbai, September 4, 2012