

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. The Company has implemented the mandatory requirements of the 'Code of Governance' as mentioned in Clause 49 of the Listing Agreement. The Compliance Report of the Company vis-à-vis the Stock Exchange Listing Agreement is presented below.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors as on 31st March, 2015 and on the date of report is:

Name of Directors	Category of Directorship	No. of other Directorships*	No. of Committee Member/ Chairmanship in other Companies		No. of Board Meetings attended during 2014 - 15	Attendance at AGM held on 25-09-14 Yes(Y)/No (N)
			Member	Chairman		
Mr. Pranay A. Patel	Executive	2	-	-	9	Y
Mr. Kashyap R. Mehta	Independent	3	4	2	11	Y
Mr. Kaushik D. Naik	Independent	-	-	-	9	Y
Mr. Chetan J. Vyas	Independent	-	-	-	11	N
Ms. Rajkumari Udhwani**	Independent	-	-	-	1	N

*Private Companies Excluded

**Appointed w.e.f. 25-03-2015

(b) Details of the Directors seeking Appointment/Re-appointment in forthcoming Annual General Meeting:

Name of Directors	Mr. Pranay A. Patel	Ms. Rajkumari R. Udhwani
Date of Birth	14-07-1964	06-03-1972
Date of Appointment	21-02-1986	25-03-2015
Qualifications	B.Com	B.com, LL.B, LL.M
Expertise in specific functional areas	Management	Legal, Laws & Management
List of other Public Limited Companies in which Directorships held	Zep Infratech Limited. Healwell International Limited.	-
List of Private Limited Companies in which Directorships held	Patel Dwellers Private Limited. Epistyle Propcon Private. Fillet Realty Private Limited. Cony Realty Private Limited. Phoenix Fabrics Private Limited.	Billet Estates Private Limited Mas Chemicals Industries Pvt Ltd Epistyle Propcon Private Limited
Chairman/Member of the Committees of the Board of Directors of our Company	Audit Committee – Member	-
Chairman/Member of the Committees of Directors of other Companies	-	-
Shareholding in the Company	5,97,500	-

c) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors for a period from 1st April, 2014 to 31st March, 2015 were held on 6-5-2014; 28-5-2014; 9-6-2014; 10-7-2014; 29-7-2014; 13-8-2014; 12-9-2014; 13-11-2014; 21-11-2014; 13-2-2015 and 25-3-2015.

3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors as on date of the Report:

Name of the Directors	Expertise	Functions of the Committee	Attendance
Mr. Kashyap R. Mehta – <i>Chairman.</i>	Majority members are Non-executive.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	Majority of members were present at the meeting held on 28-05-2014; 13-08-2014; 13-11-2014 & 13-02-2015.
Mr. Pranay A. Patel	Chairman is Independent Director and majorities are independent. One member has thorough financial and accounting knowledge.		
Mr. Kaushikkumar D. Naik.			

The Board of Directors has laid down a policy on Vigil Mechanism for Directors and Employees to report their genuine concerns or grievances to the Company for Company's effective and smooth functioning. All the Board Members and Senior Management personnel have affirmed compliance with the policy of Vigil Mechanism.

4. NOMINATION & REMUNERATION COMMITTEE:

Name of the Directors	Functions of the Committee	Attendance
Mr. Chetan J. Vyas. – <i>Chairman</i>	All members are Non-executive.	All members were present at the meeting held on 29 th July, 2014 and 25 th March, 2015.
Mr. Kashyap R. Mehta	The Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.	
Mr. Kaushikkumar D. Naik		

The Committee identifies and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

The Committee fixes remuneration of the Directors on the basis of their performance and also practice in the industry. The terms of reference of the Nomination & Remuneration Committee include review and recommendation to the Board of Directors of the remuneration paid to the Directors. The Committee meets as and when required to consider remuneration of Directors.

Details of remuneration paid:

1. Mr. Pranay A. Patel, Executive Director was paid Rs.16,68,000/- as managerial remuneration during the financial year 2014-15.
2. No Sitting fees, Commission or Stock Option has been offered to any of the Directors.

5. TRAINING OF INDEPENDENT DIRECTORS:

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.

6. INDEPENDENT DIRECTORS' MEETING:

A meeting of the Independent Directors of the Company was held on 25th March, 2015, in conformity with the provisions of the Schedule IV of the Companies Act, 2013 & the Listing Agreement.

7. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2011-2012	26-09-2012	12.00 Noon	Mangalam' Behind Apang Manav Mandal, Dr. V. S. Road, Ahmedabad – 380 015 Special Resolution: Reappointment of Mr. Pranay A. Patel as Executive Director.
2012-2013	19-09-2013	12.00 Noon	Mangalam' Behind Apang Manav Mandal, Dr. V. S. Road, Ahmedabad – 380 015 There were no Special Resolution.
2013-2014	25-09-2014	12.00 Noon	Mangalam' Behind Apang Manav Mandal, Dr. V. S. Road, Ahmedabad – 380 015 Special Resolution: 1. Borrowing Limit under Section 180(1)(c) of the Companies Act, 2013 2. Creation of charge/mortgage under Section 180(1)(a) of the Companies Act, 2013 3. Re-appointment of Mr. Pranay A. Patel as Executive Director of the Company under Sections 188, 196, 197, 203 of the Companies Act, 2013

Pursuant to the relevant provisions of the Companies Act, 1956/ 2013, there was no matter required to be dealt by the Company to be passed through postal ballot during 2014-15.

8. DISCLOSURES:

- a) The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- b) There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.
- c) The Company has established the Vigil Mechanism, by formulating Whistle Blower Policy (WBP), for Directors and Employees of the Company to report their genuine concerns or grievances to the Company. All the Board Members and Senior Management personnel have affirmed compliance with the policy of Vigil Mechanism.

d) Code of Conduct:

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management and the same has been placed on the Company's website. All Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review.

e) Prohibition of Insider Trading:

In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company.

- f) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement.

9. MEANS OF COMMUNICATIONS:

In compliance with the requirements of the Listing Agreement, the Company regularly intimates Unaudited/ Audited Financial Results to the Stock Exchanges immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati).

Results are also displayed on Company's website .

During the year ended on 31st March, 2015, no presentations were made to Institutional Investors or analyst or any other enterprise.

10. MANAGEMENT DISCUSSION AND ANALYSIS:

a. Industry Structure and Developments:

The overall scenario of plastic industry seems to be bright as it has huge consumption in industrial as well as household purposes. The company is steadily moving towards making its market in wide market of plastic industry as the competition too is heavy in the said field. The Company has successfully been emerging in its Compounding field.

The company has plans for making required developments in master batch as well as its compounding products, thereby to meet the ever-changing demand of the market. The company has undertaken various trials & its unto making required products for meeting market demands.

b. Opportunities and Threats:

The general increase in per capita consumption of plastic leads to supportive increase in colouring requirement. More metal substitution by plastic s also in creating an opportunity of compounding industry. The colour master batches find an edge for offering various colours for differentiation for end product in market. The opportunity in electronic goods and white good industry is increasing due to more and more use of plastics and various coloring and processing challenges. The plastic recycling and resultant outcry by environmentalist mainly resulting out of unorganized collection and segregating plastics is major threat to business opportunity. However this effectively addressed in an mature market with adequate system in place. As such impact on individual industry will be limited.

c. Segment wise Performance:

- Compounding – Compounding being a growing business & emerging market in plastic field, the company has increased its activities in the said field. Company is actively looking forward for expanding in the said market.
- Master batches – Growth in agricultural infra related inputs like irrigation pipes is giving opportunity for good business to your company in coming days

d. Recent Trend and Future Outlook:

Having effectively addressed recycling possibilities, use friendly disposal and longer life cycle plastic is going to strengthen its presence in day to day life. The challenges are in terms of better performing plastics. The future lies in making use of more and more natural material in plastic like natural fibre. The company is actively engaged in working on this in compounding business.

e. Risks and Concerns:

The undue pressure on government from environmentalists lobby for stringent norm for disposal will impact business if implemented in short run. As you know industry associations are already working on awareness and forming lobby to present industry point of view.

f. Internal Control Systems and their Adequacy:

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

g. Financial Performance with respect to Operational Performance:

The financial performance of the Company for the year 2014-15 is described in the Directors' Report.

h. Material Developments in Human Resources and Industrial Relations Front:

Your Company has undertaken certain employees' development initiatives, which have very positive impact on the morale and team spirit of the employees. The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year.

i. Cautionary Statement:

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

11. SHAREHOLDERS' INFORMATION:

a	Registered Office	Mangalam' Behind Apang Manav Mandal, Dr. V. S. Road, Ahmedabad – 380 015	
b	Annual General Meeting	Day	Tuesday.
		Date	29 th September, 2015
		Time	12.00 Noon..
		Venue	Mangalam' Behind Apang Manav Mandal, Dr. V. S. Road, Ahmedabad – 380 015
c	Financial Calendar	1st Quarter Results Half- yearly Results 3rd Quarter Results Audited yearly Results	Mid - August, 2015. Mid - November, 2015. Mid - February, 2016. End - May, 2016.
d	Book Closure Dates	From	To
		Friday, the 4 th September, 2015	Tuesday, the 29 th September, 2015 (both days inclusive).
e	Dividend Payment Date	On or After 30 th September, 2015	
f	Listing of Shares on Stock Exchanges	<p>Ahmedabad Stock Exchange Limited, Kamdhenu Complex, 1st Floor, Ambawadi, Ahmedabad -15.</p> <p>The Company has paid the annual listing fees for the financial year 2015-16 to the Stock Exchange where its securities are listed.</p>	
G	Stock Exchange Code	Stock Exchange	Code
		ASE	55710
H	Registrar and Share Transfer Agents.	<p>Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company:</p> <p>M/s. Link Intime India Private Limited. Unit No. 303, 3rd floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Ahmedabad - 380 009</p>	
I	Share Transfer System:	<p>The transfer of shares in physical form is processed and completed by M/s. Link Intime India Private Limited within a period of 15 days from the date of receipt thereof.</p> <p>In case of Shares in electronic form, the transfers are processed by NSDL/ CDSL through the respective Depository Participants.</p>	

j) Stock Price Data:

The Equity Shares of the Company were not traded on ASE and hence the information on stock price data is not available.

k) Distribution of Shareholding as on 31st March, 2015:

No. of Equity Shares held	No. of Shareholders	% of Share holders	No. of Shares held	% of Shareholding
Up to 500	104	83.87	19500	5.74
501 to 1000	6	4.84	5500	1.62
5001 to 10000	2	1.61	16700	4.91
10001 to 20000	12	9.68	298300	87.73
Grand Total	124	100.00	340000	100.00

l) Category of Shareholders as on 31st March, 2015:

Category	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	154200	45.35
Other Body Corporate	100000	29.41
Public	85800	25.24
Grand Total	340000	100.00

m) Shareholding of Non- Executive Directors as on 31st March, 2015:

None of the Non-Executive Directors holds Share in the company.

n) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:

The Company has not issued any GDRs/ADRs.

o) Dematerialisation of Shares:

The Company has entered into Shares Agreement with NSDL/CDSL for Dematerialisation of Shares.

As on 31st March, 2015, a total of 1,49,300 Equity Shares of the Company which form 44 % of the Equity Shares have been dematerialised. ISIN number for dematerialisation of the Equity Shares of the Company is INE471K01014.

12. CEO Certification:

The requisite certification from the Executive Director required to be given under clause 49 (IX) was placed before the Board of Directors of the Company.

13. PLANT LOCATION:

The Company's plant is located at Survey no. 221/2 & 224/4, Indrad Village, Tal: Kadi, Dist: Mehsana Plot no. 111, Phase – I GIDC, Chhatral, Tal: Kalol, Dist.: Gandhinagar.

SOLAR POWER PLANT

Survey No. 305, Village: Savda, Tal: Dasada, Dist: Surendranagar, Gujarat

14. ADDRESS FOR CORRESPONDENCE:

For both Physical and Electronic Form and any assistance regarding correspondence dematerialisation of shares, share transfers, transactions, change of address, non- receipt of dividend or any other query relating to shares, Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agent at:

M/s. Link Intime India Private Limited.
UnitNo.303,3rd floor Shoppers Plaza V,
Opp. Municipal Market, Behind Shoppers Plaza II,
Off C G Road, Ahmedabad - 380 009
Compliance Officer: Dhiren B. Parikh

15. DECLARATION

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct for the year ended on 31st March, 2015.

for and on behalf of the Board,

Place: Ahmedabad
Date: 29th July, 2015

Kashyap R. Mehta
Director

Pranay A. Patel
Director

CERTIFICATE

To
The Members of Som Shiva (Impex) Limited,
Ahmedabad

We have examined the compliance of conditions of Corporate Governance by M/s. **Som Shiva (Impex) Limited**, for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India. We have conducted over review on the basis of relevant records and documents maintained by the Company for the year ended 31st March, 2015 and furnished to us for the purpose of the review and the information and explanation given to us by the Company during the course of review.

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 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 in all materials respects with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.

We state that no investor grievance is pending for period exceeding one month against the Company as per the records maintained by the Company.

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 affair of the Company.

For, **KASHYAP R. MEHTA & ASSOCIATES**
Company Secretaries

Place: Ahmedabad
Date: 29th July, 2015

KASHYAP R. MEHTA
Proprietor
C.O.P. No.: 2052
FRN: S2011GJ16650