

## 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 Directors, hereunder, present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2016 and also up to the date of this Report.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability.

Effective Corporate Governance is the key element ensuring investor's protection; providing finest work environment leading to highest standards of management and maximization of everlasting long -term values. Your Company believes in the philosophy on practicing Code of Corporate Governance that provides a structure by which the rights and responsibility of different constituents such as the board, employees and shareholders are carved out.

A Report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 (Listing Regulation) is given below:

### 2. BOARD OF DIRECTORS:

#### a) Composition and Category of Directors as on 31<sup>st</sup> March, 2016 and on the date of report is:

Name of Directors	Category of Directorship	No. of other Director ships*	No. of Committee Member/ Chairmanship in other Companies		No. of Board Meetings attended during 2015 - 16	Attendance at AGM held on 29-09-15 Yes(Y)/No(N)
			Member	Chairman		
Pranay A. Patel	Promoter – Executive	-	-	-	11	Y
Kashyap R. Mehta	Non-Executive Independent	3	6	3	11	Y
Kaushik D. Naik	Non-Executive Independent	-	1	-	11	Y
Chetan J. Vyas	Non-Executive Independent	-	-	-	11	N
Rajkumari R. Udhwani	Non-Executive Independent	-	-	-	11	Y

@ Private Companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded

\*\* for the purpose of reckoning the limit of committees, only chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee has been considered.

- None of the directors are related to each other.

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

Name of Directors	Pranay A. Patel
Date of Birth	14-07-1964
Date of Appointment	21-02-1986
Qualifications	B.Com
Expertise in specific functional areas	Management
List of other Public Limited Companies in which Directorships held	1. Zep Infratech Limited. 2. Healwell International Limited.
List of Private Limited Companies in which Directorships held	1. Patel Dwellers Private Limited. 2. Epistyle Propcon Private. 3. Fillet Realty Private Limited. 4. Cony Realty Private Limited. 5. Phoenix Fabrics Private Limited 6. Granula Masterbatches (India) 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	59,700

**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 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016 were held 11 times on 30-05-2015; 13-07-2015; 29-07-2015; 13-08-2015; 12-09-2015; 02-10-2015; 05-11-2015; 12-12-2015; 10-02-2016; 12-02-2016 and 07-03-2016.

**d) Shareholding of Non- Executive Directors as on 31<sup>st</sup> March, 2016:**

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

**e) Familiarisation Program for Independent Directors:**

The details of the familiarization program are available on the Company's website – [www.simpexin.com](http://www.simpexin.com)

### 3. AUDIT COMMITTEE:

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

Name of the Directors	Expertise	Terms of reference & functions of the Committee	No. of Meetings Attended during 2015-16
Kashyap R. Mehta – Chairman.	All members are Non-executive. Chairman is Independent Director and majority are independent. One member has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Regulations prescribed by SEBI which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	4 of 4
Pranay A. Patel			4 of 4
Kaushikkumar D. Naik.			4 of 4

The Audit Committee met 4 times during the Financial Year 2015-16. The maximum gap between two meetings was not more than 120 days. The Committee met on 30-05-2015; 13-08-2015; 05-11-2015 & 12-02-2016. The necessary quorum was present for all Meetings. The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

### 4. NOMINATION & REMUNERATION COMMITTEE:

Name of the Directors	Functions of the Committee	No. of Meetings Attended during 2015-16
Chetan J. Vyas. Chairman	All members are Non-executive.	During the year under review, no meeting of Nomination & Remuneration Committee was held.
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.	
Kaushikkumar D. Naik		

#### Terms of reference and Nomination & Remuneration Policy:

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.

## Performance Evaluation Criteria for Independent Directors:

The Board evaluates the performance of independent directors (excluding the director being evaluated) on the basis of the contributions and suggestions made to the Board with respect to financial strategy, business operations etc.

## 5. REMUNERATION OF DIRECTORS:

1. Mr. Pranay A. Patel, Executive Director was paid Rs.16,68,000/- as managerial remuneration during the financial year 2015-16.
2. No Sitting fees, Commission or Stock Option has been offered to any of the Directors.
3. The terms of appointment of Managing Director / Whole-time Director are governed by the resolutions of the members and applicable rules of the Company. None of the Directors are entitled to severance fees.
4. Commission based on performance criteria, if any, as approved by the Board and subject to maximum limit specified in the Act.
5. The Nomination and Remuneration Policy of the Company is given in Directors' Report which specifies the criteria of making payments to Non Executive Directors.
6. Service contract and notice period are as per the terms and conditions mentioned in their Letter of Appointments.
7. There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors except those disclosed in the financial statements for the financial year ended on 31<sup>st</sup> March, 2016.

## 6. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
2012-2013	19-09-2013	12.00 Noon	'Mangalam' Behind Apang Manav Mandal, Dr. V. S. Road, Ahmedabad – 380 015 <b>There were no Special Resolution.</b>
2013-2014	25-09-2014	12.00 Noon	'Mangalam' Behind Apang Manav Mandal, Dr. V. S. Road, Ahmedabad – 380 015 <b>Special Resolution:</b> 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
2014-15	29-09-2015	12.00 Noon	'Mangalam' Behind Apang Manav Mandal, Dr. V. S. Road, Ahmedabad – 380 015 <b>There were no Special Resolution.</b>

Pursuant to the relevant provisions of the Companies Act, 2013, there was no matter required to be dealt by the Company to be passed through postal ballot during 2015-16.

## 7. MEANS OF COMMUNICATION:

In compliance with the requirements of the Listing Agreement and SEBI (LODR) Regulations, 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).

The reports, statements, documents, filings and any other information is electronically submitted to the recognized stock exchanges, unless there are any technical difficulties while filing the same. All important information and official press releases are displayed on the website for the benefit of the public at large.

During the year ended on 31<sup>st</sup> March, 2016, no presentations were made to Institutional Investors or analyst or any other enterprise.

## 8. GENERAL SHAREHOLDERS' INFORMATION:

a	Registered Office	'Mangalam', Behind Apang Manav Mandal, Dr. V. S. Road, Ahmedabad – 380 015	
b	Annual General Meeting	Day	Thursday
		Date	29 <sup>th</sup> September, 2016
		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, 2016. Mid - November, 2016. Mid - February, 2017. End - May, 2017.
d	Book Closure Dates	<b>From</b>	<b>To</b>
		Friday, the 2 <sup>nd</sup> September, 2016	Thursday, the 29 <sup>th</sup> September, 2016 (both days inclusive).
e	Dividend Payment Date	On or After 30 <sup>th</sup> September, 2016	
f	Listing of Shares on Stock Exchanges	<p><b>Ahmedabad Stock Exchange Limited,</b> Kamdhenu Complex, 1<sup>st</sup> Floor, Ambawadi, Ahmedabad -15.</p> <p>The Company has paid the annual listing fees for the financial year 2016-17 to the Stock Exchange where its securities are listed.</p>	
g	Stock Exchange Code	<b>Stock Exchange</b>	<b>Code</b>
		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:	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. In case of Shares in electronic form, the transfers are processed by NSDL/ CDSL through the respective Depository Participants.
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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 31<sup>st</sup> March, 2016:

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
<b>Grand Total</b>	<b>124</b>	<b>100.00</b>	<b>340000</b>	<b>100.00</b>

l) Category of Shareholders as on 31<sup>st</sup> March, 2016:

Category	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	215900	63.50
Other Body Corporate	-	-
Public	124100	36.50
<b>Grand Total</b>	<b>340000</b>	<b>100.00</b>

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

The Company has not issued any GDRs/ADRs.

n) Dematerialisation of Shares and liquidity:

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

As on 31<sup>st</sup> March, 2016, a total of 1,79,300 Equity Shares of the Company which form 52.74 % of the Equity Shares have been dematerialised. ISIN number for dematerialisation of the Equity Shares of the Company is INE471K01014.

o) Commodity Price Risks and Commodity Hedging Activities:

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board. The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through forward booking Inventory management and proactive vendor development practices.

p) Plant Location: (1) Survey no. 221/2 & 224/4, Indrad Village, Tal: Kadi, Dist: Mehsana, Gujarat  
(2) Plot no. 111, Phase – I GIDC, Chhatral, Tal: Kalol, Dist.: Gandhinagar, Gujarat  
(3) Survey No. 305, Village: Savda, Tal: Dasada, Dist: Surendranagar, Gujarat

q) 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.303,3<sup>rd</sup> floor Shoppers Plaza V,  
Opp. Municipal Market, Behind Shoppers Plaza II,  
Off C G Road, Ahmedabad - 380 009  
**Compliance Officer: Dhiren B. Parikh**

## **9. 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 upto 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.

**10. 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 implemented Vigil Mechanism and Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee.
- d. The Company is in compliance with all mandatory requirements under Listing Regulations. Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time to time.
- e. The policy on related party transactions is disclosed on the Company's website viz. [www.simpexin.com](http://www.simpexin.com)

**11. DETAILS OF NON COMPLIANCE CORPORATE GOVERNANCE REQUIREMENT:**

There was no non-compliance during the year and no penalties were imposed or strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority.



**12. NON-MANDATORY REQUIREMENTS OF REGULATION 27 (1) & PART E OF SCHEDULE II OF THE LISTING REGULATIONS:**

- i. The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and also posted on the Company's website.
- ii. The Company's financial statements for the financial year 2015–2016 do not contain any audit qualification.
- iii. The internal auditors report to the Audit Committee.

**13.** The Company, on voluntary basis, is in compliance with the corporate governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Regulations.

for and on behalf of the Board,

Place: Ahmedabad  
Date: 20<sup>th</sup> July, 2016

**Kashyap R. Mehta**  
Director

**Rajkumari R. Udhwani**  
Director

**DECLARATION**

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct of Board of Directors and Senior Management for the year ended on 31<sup>st</sup> March, 2016.

for SOM SHIVA (IMPEX) LIMITED,

Date: 20<sup>th</sup> July, 2016

**Kashyap R. Mehta**  
Director

**Pranay A. Patel**  
Executive Director

## **CERTIFICATE**

**To,  
The Members of  
Som Shiva (Impex) Limited.**

We have examined the compliance of conditions of Corporate Governance by M/s. **Som Shiva (Impex) Limited**, for the year ended on 31<sup>st</sup> March, 2016 and also up to the date of this report as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) / Listing Agreement (LA).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in LODR / LA. 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 based on 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 Regulations 17 to 27 & Part E of Schedule II of LODR / LA.

As per representation received from the Registrars of the Company, we state that as per records maintained by the Stakeholders' Relationship Committee, no investor grievance remaining unattended/ pending for more than 30 days.

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, KASHYAP R. MEHTA & ASSOCIATES**  
COMPANY SECRETARIES

Place: Ahmedabad  
Date: 20<sup>th</sup> July, 2016

**KASHYAP R. MEHTA**  
PROPRIETOR  
C.O.P. No.: 2052 FCS: 1821  
FRN: S2011GJ166500