

Report On Corporate Governance

(Pursuant to clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE CODE:

Company's philosophy on Corporate Governance is to ensure fairness, transparency, accountability and responsibility to all stakeholders.

Your Company believes in a Code of Governance, which fulfills the Motto of "Service to Society through commercial activities." We have implemented a Corporate Governance Code to ensure proper quality, customer satisfaction, prompt payment to suppliers, good employee-employer relationship, legal compliance, proper debt servicing, maximizing value to equity shareholders and responsibility to the nation by timely payment of taxes and as a premier exporter.

2. COMPOSITION OF BOARD OF DIRECTORS:

Your Company's Board consists of 6 Directors, in all, categorized as under:

Sr. No.	Name of the Director(s)	Category	No. of Board Meetings Attendance	Attended Last AGM	No. of Other Directorship #	# No. of other Committees#	
						Chairman	Member
1	Mr. Amrut P. Shah.	Executive-Chairman & Managing Director, Promoter	21	Yes	3	Nil	0
2	Mr. Shantilal P. Shah	Executive Director, Promoter	21	Yes	2	Nil	1
3	Mr. Hasmukh A. Gada	Executive Director, Promoter	21	Yes	2	Nil	1
5	Mr. Jagdish J. Kothari	Non-Executive Director, Independent	21	Yes	Nil	Nil	Nil
6	Mr. Anuj V. Sukhadia * (upto 30 th May 2012)	Non-Executive Director, Independent	21	Yes	1	Nil	Nil
7	Mr. Bhavin P. Gogri * (upto 30 th July 2012)	Non-Executive Director, Independent	21	Yes	Nil	Nil	Nil
8.	Mr. Paresh P. Jain ** (appointed w.e.f 30 th May 2012)	Non-Executive Director, Independent	Nil	N.A.	Nil	Nil	Nil
9.	Mr. Mahip D. Agarwal ** (appointed w.e.f 30 th July 2012)	Non-Executive Director, Independent	Nil	N.A.	Nil	Nil	Nil

#For the purpose of considering the number of directorships and Committee positions, all Public Limited Companies, whether listed or not, have been included and all other Companies including Private Limited Companies, Foreign Companies and companies under Section 25 of the Companies Act, 1956, have been excluded and the Committees other than Audit Committee and Shareholders'/Investors' Grievance Committee have been excluded.

Number of Board Meetings held during the financial year 2011-2012 was twenty one. The dates on which these Meetings were held are 27.04.2011, 28.05.2011, 15.06.2011, 17.06.2011, 28.07.2011, 08.08.2011, 20.09.2011, 26.09.2011, 06.10.2011, 21.10.2011, 12.11.2011, 28.11.2011, 28.12.2011, 02.01.2012, 09.02.2012, 13.02.2012, 17.02.2012, 28.02.2012, 29.02.2012, 29.03.2012, 31.03.2012.

* Mr. Anuj V. Sukhadia and Mr. Bhavin P. Gogri had resigned with effect from 30.05.2012 and 30.07.2012 respectively

** Mr. Paresh P. Jain and Mr. Mahip D. Agarwal were appointed with effect from 30.05.2012 and 30.07.2012 respectively

Details of Directors being reappointed:

As per the Companies Act, 1956 two third of Directors should be retiring directors. One-third of these retiring directors are required to retire every year and if eligible, these directors qualify for reappointment.

Accordingly, Mr. Jagdish J. Kothari retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as Director.

Mr. Jagdish J. Kothari, aged 58 years is a B.Com graduate with a vast knowledge of accountancy, import and export of stationery.

3. AUDIT COMMITTEE:

Terms of reference & composition:

Terms of reference of this committee cover the matters specified for Audit Committee under clause 49 of the Listing Agreement & section 292A of the Companies Act, 1956.

Your Audit Committee consists of three members. All the members are Non-Executive Independent Directors. The Managing Director, Wholetime Directors and Auditors are invitees to the meeting and Company Secretary of the Company is the Secretary of the Audit Committee. The total number of meetings held during the year was four on 28.05.2011, 08.08.2011, 12.11.2011 and 09.02.2012 respectively. Mr. Bhavin P. Gogri, Chairman of the Committee attended four meetings. Mr. Anuj V. Sukhadia, Member, attended 4 meetings and Mr. Jagdish J. Kothari, Member attended 4 meetings. Mr. Paresh P. Jain and Mr. Mahip D. Agarwal were appointed as members of the Committee with effect from 30.05.2012 and 30.07.2012 respectively and Mr. Anuj V. Sukhadia and Mr. Bhavin P. Gogri had resigned with effect from 30.05.2012 and 30/07/2012 respectively. Mr. Paresh P. Jain is appointed as new Chairman of the Committee w.e.f. 30/05/2012.

4. REMUNERATION COMMITTEE:

Your Remuneration Committee consists of three members. All the members are Non Executive Independent Directors. One meeting was held during the year on 31.03.2012. Mr. Bhavin P. Gogri, Chairman of the Committee, Mr. Anuj V. Sukhadia, Member and Jagdish J. Kothari, Member attended the same. Mr. Paresh P. Jain and Mr. Mahip D. Agarwal were appointed as members of the Committee w.e.f. 30.05.2012 and 30.07.2012 respectively and Mr. Anuj V. Sukhadia and Mr. Bhavin P. Gogri had resigned w.e.f. 30.05.2012 and 30/07/2012 respectively. Mr. Paresh P. Jain is appointed as new Chairman of the Committee w.e.f. 30/05/2012.

5. SHAREHOLDERS/INVESTORS GRIEVANCES COMMITTEE:

Your Shareholders/Investors Grievances Committee consists of three members. All the members are Non Executive Independent Directors. The total number of meetings held during the year was four on 28/05/2011, 08/08/2011, 12.11.2011 and 09.02.2012 respectively. Mr. Bhavin P. Gogri, Chairman of the Committee attended four meetings. Mr. Anuj V. Sukhadia, Member, attended 4 meetings and Mr. Jagdish J. Kothari, Member attended 4 meetings. Mr. Paresh P. Jain and Mr. Mahip D. Agarwal were appointed as members of the Committee w.e.f. 30.05.2012 and 30.07.2012 respectively and Mr. Anuj V. Sukhadia and Mr. Bhavin P. Gogri had resigned with effect from 30.05.2012 and 30/07/2012 respectively. Mr. Paresh P. Jain is appointed as new Chairman of the Committee w.e.f. 30/05/2012.

The Board of Directors of the Company have appointed Ms. Amisha V. Shah, Company Secretary, as the Compliance Officer as per Clause 47 (a) and (f) of the Listing Agreement entered with the Stock Exchanges.

The Company received nil investor complaints during the year.

6. SELECTION COMMITTEE:

As per the provisions of Section 314(1) of the Companies Act, 1956 read with The Director's Relative (Office or Place of Profit) Rules, 2011 and The Companies (Central Government's) General Rules and Forms, 1956, the appointment of Mr. Raichand P. Shah, relative of Director, has to be approved by the Selection Committee. For this purpose the Selection Committee was constituted by the Board which consisted of Mr. Bhavin P. Gogri and Mr. Jagdish J. Kothari, Independent Directors and Mr. Hemasnhu L. Kapadia, Practicing Company Secretary.

7. REMUNERATION OF DIRECTORS AND DISCLOSURES AS PER THE PROVISIONS OF CLAUSE C OF SECTION II OF PART II OF SCHEDULE XIII OF THE COMPANIES ACT, 1956.

Details of the remuneration paid to the Executive Directors are given below:

Name of the Director	Designation	Salary (For the year ended 31/03/2012) (in ₹)	Salary from 1/04/2012 to 31/03/2015 (in ₹)
Mr. Amrut P. Shah	Chairman & Managing Director	54,00,000	1,20,00,000
Mr. Shantilal P. Shah	Whole-time Director	30,00,000	60,00,000
Mr. Hasmukh A. Gada	Whole-time Director	12,00,000	30,00,000

No sitting fees were paid to the Non-Executive Directors for the financial year 2011-12.

8. GENERAL BODY MEETINGS:

Financial Year	Date	Whether Special Resolution Passed	Time	Venue
2008-2009	29.09.2009	No	10.00 A.M.	Navinbhai Thakar Hall, Shradhanand Road, Vile Parle (E), Mumbai- 400 057.
2009-2010	03.09.2010	Yes	10.00 A.M.	
2010-2011	30.09.2011	Yes	10.00 A.M.	

The following are the particulars of the Special Resolution passed in the previous three Annual General Meeting:

Date	Particulars
03.09.2010	i) Alteration in Articles of Association of the Company by insertion of Article 18 after the existing Article 17 and subsequent re-numbering of the articles.
30.09.2011	i) Increase in the remuneration of Mr. Amrut P. Shah, Managing Director, in excess of the ceiling laid down under Section 309 of the Companies Act, 1956.
	ii) Payment of remuneration to three Executive directors viz. Mr. Amrut P. Shah, Managing Director, Mr. Shantilal P. Shah, Whole-time Director and Mr. Hasmukh A. Gada, Whole-time Director, put together in excess of the ceiling laid down under Section 309 of the Companies Act, 1956.

9. DISCLOSURES:

- During the year rent of ₹ 3.24 lacs was paid to Mrs. Nayna S. Shah, wife of Mr. Shantilal P. Shah.
- During the year salary of ₹ 12 lacs was paid to Raichand P. Shah, brother of Mr. Amrut P. Shah and Mr. Shantilal P. Shah.
- Your Company has complied with all the provisions of the Companies Act, 1956, Rules and Regulations of the said Act, SEBI Guidelines, Stock Exchange Regulations and rules and regulations of other Statutory Authorities and there were no strictures, penalties imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last 3 years.
- Company has not adopted the Whistle Blower Policy.

10. CEO/CFO CERTIFICATION:

The CEO and the CFO of the Company, have submitted a Certificate to the Board regarding the Financial Statements and other matters as required under Clause 49(V) of the Listing Agreement.

11. MEANS OF COMMUNICATION:

Quarterly results of the Company are published in Free Press Journal (English Edition) and Navshakti (Regional Edition) news papers respectively. Annual Results of the Company are displayed on the Company's website – "www.sundaramgroups.in". The website also displays the information about the Company and its products. The Management Discussion and Analysis Report forms part of the Directors Report.

12. GENERAL SHAREHOLDERS' INFORMATION:

AGM Date	:	September 27, 2012
Time	:	10.00 a.m.
Venue	:	Navinbhai Thakar Hall, Shradhanand Road, Vile Parle (E), Mumbai – 400 057, India
Financial Year	:	2011-2012
Book Closure Date	:	24 th September 2012 to 27 th September 2012 (both inclusive)
Rate of Dividend Recommended	:	₹. 0.20/- per share (Pre bonus) amounting to ₹. 0.666/- per share (Post bonus)
Listing on Stock	:	Bombay Stock Exchange Ltd. National Stock Exchange of India Ltd. Pune Stock Exchange Ltd.

The Equity Shares of the Company are delisted from the Ahmedabad Stock Exchange Ltd. w.e.f. 31/07/2012

Listing fees are paid for Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd., Pune Stock Exchange Ltd. and Ahmedabad Stock Exchange Ltd. for the Financial Year 2011-2012.

Stock Code	:	BSE – 533166 NSE - SUNDARAM PSE - SVN MV-160180
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Demat ISIN No	:	INE108E01023
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Outstanding ADR/ GDR	:	The Company has not issued any ADR or GDRs.
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Market Price as per BSE Ltd and National Stock Exchange of India Ltd. Data:

Year	Month	BSE Ltd.			National Stock Exchange of India Ltd.		
		Price		Volume Traded	Price		Volume Traded
		High(Rs.)	Low(Rs.)		High(Rs.)	Low(Rs.)	
2011	April	45.5	42.00	2326445	54.00	45.50	4257302
	May	44.00	41.50	5351433	49.50	45.35	2360737
	June	45.00	41.65	4988737	53.90	45.60	1339914
	July	45.50	41.75	2444913	51.95	44.35	1722419
	August	44.80	41.80	3806709	51.55	44.25	2562990
	September	44.95	41.80	1826666	51.00	42.00	1479879
	October	50.25	42.00	1547182	50.00	41.80	1252512
	November	50.50	44.50	2742102	49.70	41.20	3262454
	December	50.95	43.15	2744611	43.50	40.00	2623875
2012	January	49.90	45.50	1480650	44.65	41.80	4690199
	February	51.40	45.05	3950199	44.45	41.10	5079575
	March	54.95	46.30	4723742	48.00	42.00	1797767

Registrar and Share Transfer Agents

M/s Sharex Dynamic (India) Pvt.Ltd, Unit No. 1, Luthra Ind. Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai- 400 072

Tel Nos : 022-28515606, 28515644
Fax No. : 022-28512885
E-mail : sharexindia@vsnl.com

Plant Location: P.I.D.C.O., Mahim Village, Palghar, Dist. Thane, Maharashtra, INDIA

Paper Unit: Village, Sihora, P.O. Khandelwal Nagar, Kanhan- 441 401, Tah. Parseoni, Dist. Nagpur (M.S.) INDIA.

SEZ Unit: No.F A1-365&366, Sector No.4, KASEZ, Gandhidham (Kutch) 370 230, Gujarat, INDIA.

Distribution of Shareholding:

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2012

Category	No. of Shares held	% of Holding
A. PROMOTER'S HOLDING		
1. PROMOTERS		
Indian Promoters	44428998	61.82
Foreign Promoters	0	0
2. Person acting in Concert	0	0
Sub Total	44428998	61.82
B. NON PROMOTER'S HOLDING		
3. INSTITUTIONAL INVESTORS		
a) Mutual Funds and UTI	0	0
b) Banks, Insurance Companies, Financial Institutions, Central/State Govt.Inst/Non Govt. Inst	11135	0.02
c) Foreign Institutional Investors	4900000	6.82
Sub Total	4911135	6.84
4. OTHERS		
a) Private Corporate Bodies	10631771	14.79
b) Indian Public	10971474	15.26
c) NRI's / OCB's	235818	0.33
d) Any Other: Clearing Member	689395	0.96
Sub Total	22528458	31.34
GRAND TOTAL	71868591	100

Distribution of Shareholding as on 31st March 2012.

No. of Equity shares held	No. of Share Holders	% of total Shareholders	No. of Shares held	% of Total Share Capital
Upto 5000	4094	91.96	2161418	3.01
5001-10000	126	2.83	1033007	1.44
10001-20000	89	2.00	1360748	1.89
20001-30000	34	0.76	869638	1.21
30001-40000	15	0.34	539090	0.75
40001-50000	11	0.25	528557	0.74
50001-100000	22	0.49	1909682	2.66
100001 – Above	61	1.37	63466451	88.31
Total	4452	100	71868591	100

Dematerialisation Of Shares And Liquidity

As on 31.03.2012, 99.21% of the paid up share capital of the Company has been dematerialized.

Investor Relation

Enquiries, if any relating to shareholder accounting records, share transfers, transmission of shares, change of address / bank mandate details for physical shares, receipt of dividend warrant, loss of share certificates etc., should be addressed to:

M/s Sharex Dynamic (India) Pvt.Ltd, Unit No. 1, Luthra Ind. Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai- 400 072

Tel Nos : 022-28515606, 28515644
Fax No. : 022-28512885
E-mail : sharexindia@vsnl.com

(OR) directly to the Company to:

The Company Secretary, Sundaram Multi Pap Ltd., 903, Dev Plaza, Opp. Andheri Fire Station, S.V. Road, Andheri (W), Mumbai- 400 058.

Tel Nos.: 022- 67602200;
Fax Nos.: 022- 67602244, 67602255
Email : amisha@sundaramgroups.in

13. CODE OF CONDUCT

The Board of Directors of the Company has laid down the code of conduct for all the Board Members and the Senior Management of the Company and the same has been posted on the website of the Company; www.sundaramgroups.in in the compliance with the provisions of Listing Agreement with the Stock Exchanges.

All the Board Members and Senior Management Personnel of the Company have affirmed compliance with the applicable code of conduct for the year ended 31st March, 2012. The declaration from Mr. Amrut P. Shah, Managing Director, regarding the affirmation of the compliance for the year ended 31st March, 2012, is enclosed and forms part of this report.

14. OTHER REQUIREMENTS:

The Company is yet to adopt the non-mandatory requirements like sending of the half yearly financial performance including summary of significant events in past six months to shareholders, restricting the tenure of the Independent Directors in the aggregate to a period of nine years on the Board of the Company, unqualified financial statements, training of Board Members, mechanism of evaluation of Non-Executive Board Members and Whistle Blower Policy would be complied with at an appropriate time later. The Board is taking guidance from Non-Mandatory requirement as mentioned in Corporate Governance. It is always an endeavor of the Board to implement the suggestion of the non mandatory requirement.

Declaration from the Managing Director & CEO Under clause 49(D)(ii) of the Listing Agreement)

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March, 2012.

Amrut P. Shah
Managing Director & CEO

Mumbai on this 08th Day of August 2012