

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENT:

The company was engaged in investing activities since its inception at Mumbai.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The company has adequate internal control systems with control checks commensurate with its size and nature of business. These measures ensure efficient use and protection of all assets of the Company and also compliance with the policies, procedures and statutory requirements.

HUMAN RESOURCE MANAGEMENT

The relationship with all employees in the Company continues to be cordial. The Company considers its Employees as one of its most valuable asset. We strongly encourage all aspects of self – development.

SAFE HARBOUR CLAUSE

Statements in the Management Discussion and Analysis describing the Company's objectives and expectations may be "forward looking statement" within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/ supply, price conditions in the domestic and overseas market in which the Company operates, changes in the Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations. Thus, the Company should and need not be held responsible if, which is not unlikely, the future turns to be quite different. Subject to this management disclaimer, this discussion and analysis should be perused.

For and on behalf of the Board

Sd/-
(SHEKHAR NANDKUMAR SOMANI)
Chairman
Mumbai, September 2, 2011

ANNEXURE TO THE DIRECTORS REPORT
Report on Corporate Governance

COMPANY PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is to attain the highest levels of transparency, accountability and integrity. This objective extends, not merely to meet with statutory requirements but also to go beyond them by putting into place procedures and systems which are in accordance with best practices for governance. Corporate Governance at G D TRADING AND AGENCIES LIMITED means being responsive to aspirations to all the stakeholders – customers, suppliers, lenders, employees, the shareholders and expectations of the society. The Board of Directors supports the board principles of Corporate Governance and lays strong emphasis on its trusteeship role to align and direct the actions of the organization to achieve its avowed objectives of transparency, accountability and integrity. Given below is the report on Corporate Governance at G D TRADING AND AGENCIES LIMITED.

BOARD OF DIRECTORS

Composition of the Board:

The Board of Directors of your Company consists of three Directors as on 31st March, 2011.

None of the Directors on the Board are members of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

During the financial year 2010-2011, Five Board Meetings were held on the following dates:

- 14.04.2010
- 30.06.2010
- 30.07.2010
- 30.10.2010
- 15.01.2011

The details of the Directors on the Board of your Company as on 31st March, 2011 are given below:

| Name | Category | No. of Shares Held | Attendance Particulars | | No. of Outside Directorship(*) | No. of Committee held (@) | | outside positions |
|----------------------------|--------------------------|--------------------|------------------------|----------|--------------------------------|---------------------------|--------|-------------------|
| | | | Board meetings | Last AGM | | Chairman | Member | |
| Vinod Kumar Mimani | Director (Executive) | 8220 | Yes | Yes | Nil | Nil | Nil | Nil |
| SANJAY SAMPAT KUMAR SOMANI | Director (Non-Executive) | -- | Yes | Yes | Nil | Nil | Nil | Nil |
| SHEKHAR NANDKUMAR SOMANI | ((Non-Executive) | -- | Yes | Yes | Nil | Nil | Nil | Nil |

(*) Excludes directorship in Indian Private Limited Companies, Foreign Companies, Companies under Section 25 of the Companies Act, 1956 and membership of Managing Committees of various bodies.

(@) Only membership of Audit Committee and Shareholder's/Investor's Grievances Committees are considered.

Board Procedure:

The Board meets at least once in quarter, inter-alia, to review the quarterly performance and the financial results. The Board Meetings are generally scheduled well and the notice of each Board Meeting is given in writing to each Director.

The information as specified in Annexure IA to Clause 49 of the Listing Agreement is placed before the Board the Board wherever applicable.

AUDIT COMMITTEE

Terms of reference:

The Audit Committee of the Board of Directors of your Company, inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

Apart from all the matters provided in clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Committee review reports of the Internal Auditors, meets Statutory Auditors periodically and discusses their findings, suggestions, internal control systems, scope of audit, observations of the auditors and reviews accounting policies followed by your Company. The Committee reviews with the management, the half yearly and annual financial statements before its submission to the Board. The minutes of the Audit Committee meetings are placed and noted at the subsequent meeting of the Board of Directors of your Company.

Composition and Attendance at Meeting:

The Audit Committee comprises of three members and Mr. SHEKHAR NANDKUMAR SOMANI, the Managing Director of the Company is financially literate as prescribed in the Listing Agreement.

Mr. SHEKHAR NANDKUMAR SOMANI, Director is the Chairman of the Committee. Mr SANJAY SAMPAT KUMAR SOMANI and Mr. Vinod Kumar Mimani are the members of the Committee.

The Audit Committee generally meets once in a quarter, inter-alia, to review the quarterly performance and the financial results.

The Audit Committee met four times during the financial year 2010-2011 on

→14.04.2010

→30.06.2010

→30.07.2010

→30.10.2010

→15.01.2011

| Name of the Member | Position | No. of Meetings held | No. of meetings Attended |
|--------------------------------|----------|----------------------|--------------------------|
| Mr. SHEKHAR NANDKUMAR SOMANI | Chairman | 5 | 5 |
| Mrs. Vinod Kumar Mimani | Member | 5 | 5 |
| Mr. SANJAY SAMPAT KUMAR SOMANI | Member | 5 | 5 |

Mr. SHEKHAR NANDKUMAR SOMANI, Chairman of the Committee was present at the Annual General Meeting of your Company held on 29th September, 2010 to answer the shareholders' queries.

The Minutes of the Audit Committee Meetings form part of the documents placed before the meetings of the Board of Directors. In addition, the Chairman of the Audit Committee appraises the Board about the significant discussions at the Audit Committee meetings.

REMUNERATION AND COMPENSATION COMMITTEE

There was no constitution of any remuneration and compensation committee.

INVESTORS' GRIEVANCES & SHARE TRANSFER COMMITTEE :

There was no constitution of any investors, grievance & transfer committee.

GENERAL BODY MEETINGS:

Particulars of General meetings held during last three years:

| Annual General meeting (AGM) | Date | Venue | Time | No. of Special Resolutions Passed |
|------------------------------|----------------------------------|--|------------|-----------------------------------|
| AGM (2007-2008) | 29 th September, 2008 | Kapur Mahal, 5 th Floor Marine Drive Mumbai- 400020 | 11.00 a.m. | NIL |
| AGM (2008-2009) | 30 th September, 2009 | Kapur Mahal 5 th Floor, Marine Drive Mumbai- 400020 | 11.00 a.m. | NIL |
| AGM (2009-2010) | 30 th September, 2010 | Kapur Mahal 5 th Floor, Marine Drive Mumbai- 400020 | 11.00 a.m. | NIL |

There were no any Special resolutions passed by the members during the last three years' General Meeting.

There was no any resolution passed by Postal Ballot.

DISCLOSURES:

Your Company has no material significant transactions with its related parties that may have a potential conflict with the interest of your Company during the Financial Year 2010-2011. The details of transaction between your Company and the related parties are given for information under Note 7 to the Schedule 15 to the Balance Sheet as at 31st March, 2011.

In the preparation of the financial statements, your Company follows Accounting Standards issued by the Institute of Chartered Accountants of India.

Your Company has formulated and laid down a procedure on risk assessment and minimization. These procedures have been considered by the Board and a properly defined framework is laid down to ensure that executive management controls the identified risks. Your Company has not framed any Whistle Blower Policy during the year 2010-11.

During the year under review, your Company did not raise any proceeds through a public issue, rights issue and /or a preferential issue.

Means of Communication

Your Company's results and official news release are displayed on your Company's website <http://www.gdta.com>. There were no presentations made to the institutional investors or analysts during the year under review.

Management Discussion and Analysis Report forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting :
Date and Time : Thursday, 30th September, 2011 at 11.00 a.m.
Venue : Kapur Mahal, 5th Floor,
Marine Drive
Mumbai- 400020
- Tentative Financial Calendar : The financial year of the Company is
for the period from 1st April to 31st March
of the following year.
- Date of Book Closure : Monday, 26th September, 2011 to
Friday, 30th September, 2011
(both days inclusive)
- Listing on Stock Exchange : Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 023
- Stock Code BSE : E04346

6. The monthly High and Low of market price of the equity shares of your Company on the BSE and NSE and the stock performance during the last financial year was as under .

The Company being suspended from BSE

7. Address for Correspondence Indian Mercantile Chambers, 3rd Floor
14- R Kamani
8. Designated E-Mail ID for registering
Complaints by the investors gdtal2000@gmail.com

**CHIEF EXECUTIVE OFFICER CERTIFICATION TO THE BOARD, PURSUANT TO CLAUSE-49
OF THE LISTING AGREEMENT REGARDING CORPORATE GOVERNANCE COMPLIANCE**

To,

The Board of Directors of G D TRADING AND AGENCIES LIMITED

I Shekhar Nandkumar Somani, Whole Time Director of G D TRADING AND AGENCIES LIMITED 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.

Sd/-
Shekhar Nandkumar Somani
Whole time Director
Place: Mumbai
Dated: 2nd September, 2011

Auditors' Certificate on Corporate Governance to the Members of G D TRADING AND AGENCIES LIMITED

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 M/s. J.K. Lahoti & Company
Chartered Accountants
Sd/-

J. K. LAHOTI
Proprietor
2nd September, 2011. Membership No. 16655

DECLARATION ON CODE OF CONDUCT

To,
The Members of G D TRADING AND AGENCIES LIMITED

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, 2011, as envisaged in Clause 49 in the listing Agreement with stock exchanges.

For and on behalf of the Board

Sd/-
(SHEKHAR NANDKUMAR SOMANI)
Chairman
Mumbai: September 2, 2011