

**REPORT ON CORPORATE GOVERNANCE****1. The Company's Philosophy on Corporate Governance**

The Board of Directors and Management believe in adopting and practicing principles of good Corporate Governance with a view to:-

- Safeguard shareholders' interest through sound business decisions, prudent financial management and high standard of business ethics: and
- Achieve transparency, accountability and integrity in the dealings and transactions of the Company

**2. Board of Directors**

(i) Composition :-

The Board of Directors comprises of seven Directors as under:-

<b>Name of Director</b>	<b>Brief Particulars</b>	<b>Category</b>
<b>Promoter Group</b>		
1. Shri V.K. Sureka	He is a graduate and an Industrialist having 38 years' experience in the Steel Industry. He joined the Board as promoter director w.e.f. 31 <sup>st</sup> December, 1992.	Executive
2. Shri N.K. Sureka	He is an Industrialist having 17 years' experience in the Steel Industry and joined the Board as Promoter director w.e.f. 29 <sup>th</sup> July, 1997.	Executive
3. Shri A. K. Sureka	He is in business having 12 years' working experience in Steel Industry and joined the Board as Promoter director w.e.f. 1 <sup>st</sup> October, 2001.	Executive
<b>Independent</b>		
4. Shri O.P. Bhardwaj	He is B.Com (Honours) and having 29 years' working experience in the Pipe Industry. He joined the Board as an independent director w.e.f. 1 <sup>st</sup> December, 2003.	Non-executive
5. Shri Mohan Lal	He is in service having 27 years' working experience in Steel Industry and joined the Board as an independent director w.e.f. 1 <sup>st</sup> December, 2003.	Non-executive
6. Shri S.J.S. Kamra	He is B.Com(Honours) and Fellow Member of the Institute of Chartered Accountants of India having 33 years experience of controlling/advising the financial matters of Steel Industry. He joined the Board as an independent director w.e.f. 30 <sup>th</sup> July, 2008.	Non-executive
7. Shri Vijay Kumar Gupta	He is in business having 22 years experience in Steel Industry. He joined the Board as an independent director w.e.f. 30 <sup>th</sup> July, 2008.	Non-executive

**(ii) Board Meetings and attendance**

Nineteen Board Meetings were held during the financial year ended on 31<sup>st</sup> March, 2010 and the gap between two Board Meetings did not exceed four months.

The dates on which Board meetings were held are as follows :-

Sr. No.	Date of Meeting	Board strength	No. of Directors Present
1.	06.04.2009	8	3
2.	16.04.2009	8	3
3.	24.04.2009	8	3
4.	18.05.2009	8	3
5.	27.06.2009	8	3
6.	30.06.2009	8	3
7.	08.07.2009	8	3
8.	31.07.2009	8	4
9.	28.08.2009	8	3
10.	05.09.2009	8	3
11.	07.10.2009	8	3
12.	31.10.2009	8	5
13.	11.12.2009	8	3
14.	24.12.2009	8	3
15.	08.01.2010	8	4
16.	12.01.2010	8	3
17.	25.01.2010	8	3
18.	30.01.2010	8	4
19.	11.02.2010	8	3

(iii) Attendance of each Director at the Board meetings and last Annual General Meeting (AGM) and the number of Companies and committees where he is Director/Member.

Name of Director	Category of Directorship	Number of Board Meetings Attended	Attendance at the Last AGM held on 12.09.09	Number of Directorships in other public Ltd. Companies	Number of committee positions held in other Companies
Shri V.K. Sureka	Executive	07	Yes	2	-
Shri N. K. Sureka	Executive	09	No	2	-
Shri A. K. Sureka	Executive	05	No	2	-
Shri O.P. Bhardwaj	Non-executive	11	Yes	2	1
Shri Mohan Lal	- do -	09	No	1	1
Shri Puneet Kumar Saraf	- do -	12	No	2	4
Shri S.J.S.Kamra	- do -	07	No	1	1
Shri Vijay Kumar Gupta	- do -	02	No	1	0

**3. Audit Committee**

The Board constituted an Audit Committee in accordance with the code of Corporate Governance. This Committee consisted of three non-executive directors, Shri O.P. Bhardwaj, Shri Mohan Lal and Shri Puneet Saraf with Shri O. P. Bhardwaj as its Chairman upto 10<sup>th</sup> June, 2010 and thereafter Shri Vijay Kumar Gupta took over from Sh. Puneet Saraf who ceased to be a director by resignation on that date.

- (i) The terms of reference of the Audit Committee are as per the guidelines set out in clause no. 49 of the listing agreement with the Calcutta Stock Exchange where the shares of the Company are listed.
- (ii) The Audit Committee had four Meetings during the financial year 2009-10 ended on 31<sup>st</sup> March, 2010 as per details thereof and the names of Directors who attended the said meetings, are as under:-

## Details of the Audit Committee Meetings held during the financial year 2009-10 and attended by the Directors:-

Name of Director	Date of Meeting			
	30.06.2009	31.07.2009	31.10.2009	30.01.2010
Shri O.P. Bhardwaj	Yes	Yes	Yes	Yes
Shri Mohan Lal	No	Yes	Yes	No
Shri Puneet Saraf	Yes	No	No	Yes

**4. Remuneration Committee**

The Board has constituted a Remuneration Committee consisting of three non-executive directors namely S/Shri S.J.S. Kamra, O. P. Bhardwaj and Mohan Lal with Sh. O. P. Bhardwaj as its Chairman to determine the remuneration package for Shri V. K. Sureka, the Managing Director and Shri N.K. Sureka, the whole time director (Finance & Works) on their re-appointment for a period of five years w.e.f. 1<sup>st</sup> April, 2010.

**5. Remuneration Policy**

No remuneration other than sitting fees of Rs. 250/- for attending Board Meeting is paid to each of non-executive directors. As regards payment to executive directors Shri V.K. Sureka as Managing Director and Shri N.K. Sureka as Director (Finance & Works) for the financial year 2009-10 ended on 31<sup>st</sup> March, 2010 was concerned, the same was made to them @ Rs.50,000/- and Rs. 45,000/- plus perquisites per month respectively whereas Shri Puneet Saraf as Director (Terry Towel) was paid Rs.40,000/- per month upto 31<sup>st</sup> August, 2009 and thereafter Rs.44,000/- per month w.e.f. 1<sup>st</sup> September, 2009 to 31<sup>st</sup> March, 2010 as Minimum Remuneration in accordance with Schedule XIII of the Companies Act, 1956. Details of remuneration paid/payable to the Directors during the financial year 2009-10 ended on 31<sup>st</sup> March, 2010 are as under:-

(i) Sitting fees paid to Directors for meetings of the Board :-

Name of Director	Amount (Rs.)
Shri O.P. Bhardwaj	2750/-
Shri Mohan Lal	2250/-
Shri A.K. Sureka	1250/-
Shri S.J.S. Kamra	1750/-
Shri Vijay Kumar Gupta	500/-
<b>Total :</b>	<b>8500/-</b>

(ii) Remuneration paid to Managing Director, Shri V. K. Sureka :-

a) Salary for twelve months of 2009-10 (April, 2009 to March, 2010)	Rs.6,00,000
b) Provident Fund Contributions	Rs. 72,000
	<u>Rs. 6,72,000</u>

(iii) Remuneration paid to Director (Finance & Works), Shri N.K. Sureka :-

a) Salary for twelve months of 2009-10 (April, 2009 to March, 2010)	Rs.5,40,000
b) Provident Fund Contributions	Rs. 64,800
c) Perquisites	Rs. 5,43,915
	<u>Rs. 11,48,715</u>

(iv) Remuneration paid to Director (Terry Towel), Shri Puneet Saraf :

a. Salary for twelve months of 2009-10 (April, 2009 to March, 2010)	Rs. 5,24,154
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**6. Code of Conduct for the Directors & Senior Managerial Personnel**

In compliance to the provisions of Clause 49 of the Listing Agreement, the Board has laid down a code of Conduct for all the Board Members and Senior Managerial Personnel and all Board Members and Senior Managerial Personnel have affirmed compliance of code of conduct as on 31<sup>st</sup> March, 2010 and a declaration to that effect duly signed by the Managing Director is attached and forms part of this report.

**7. Investors'/ Shareholders' Grievance Committee**

This Committee was constituted in accordance with the code of Corporate Governance, with a view to redress shareholders'/ investors' complaints etc. relating to delay in transfer of shares, demat, non-receipt of annual accounts, delays in balance sheet, split, duplicate, transmission, etc. of the shares issued by the Company. This Committee consists of Two Non-executive directors namely Shri Mohan Lal and Shri O.P. Bhardwaj with Shri Mohan Lal as Chairman.

Shri Puneet Saraf has been nominated as the Compliance Officer.

Number of pending transfers

Nil

Number of Shareholders'

Nil

Complaints received

Number of Complaints

Nil

Not solved.

**8. General Body Meetings**

Details of Location and time of holding of last three AGMs

<b>AGM for the financial Year ended</b>	<b>Venue</b>	<b>Date</b>	<b>Time</b>
2006-2007 27 <sup>th</sup> AGM	Room No.107, 1 <sup>st</sup> Floor, Anand Jyoti Building, 41, Netaji Subhas Road, Kolkata-700001	26.09.2007	2.00 P.M.
2007-2008 28 <sup>th</sup> AGM	Room No.107, 1 <sup>st</sup> Floor Anand Jyoti Building, 41, Netaji Subhas Road, Kolkata-700001	11.09.2008	2.00 P.M.
2008-2009 29 <sup>th</sup> AGM	Room No.107, 1 <sup>st</sup> Floor, Anand Jyoti Building, 41, Netaji Subhas Road, Kolkata-700001	12.09.2009	2.00 P.M.

**9. Brief Resume of Directors seeking re-appointment**

(i) **Shri S.J.S. Kamra :-**

Shri S.J.S. Kamra, is B. Com.(Hons.) and Fellow Member of the Institute of Chartered Accountants of India and has to his credit 33 years experience of controlling/advising the financial matters of Steel Industry. He joined the Board as an independent director w.e.f. 30<sup>th</sup> July, 2008. He is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

(ii) **Shri Vijay Kumar Gupta :-**

Shri Vijay Kumar Gupta, is in business having 22 years experience in Steel Industry. He was appointed as an independent director of the company on 30<sup>th</sup> July, 2008. He is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

**10. Disclosure:**

(a) **Materially Significant related party transactions**

During the period, no transaction of material nature, had been entered into by the Company with the management or their relatives that may have potential conflict with the interests of the Company.

(b) **Details of non-compliance by the company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

There was no instance of penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority as well as non-compliance of any matter related to the capital markets during the last three years.

**11. Means of Communication**

The quarterly and yearly results are published in English in widely circulating "The Financial Express" and in Bengali in "Kalantar" from Kolkata.

**12. General Shareholder information**

AGM : Date, time and venue

30<sup>th</sup> AGM to be held on 20<sup>th</sup> August, 2010 at 2.00 P.M. at Anand Jyoti Building, Room No.107, 1<sup>st</sup> Floor, 41, Netaji Subhas Road, Kolkatta – 700 001

● **Financial Calendar (Tentative)**

Results for quarter ending June 30, 2010  
Results for quarter ending September 30, 2010  
Results for quarter ending December 31, 2010  
Results for quarter ending March 31, 2011

14<sup>th</sup> August, 2010  
14<sup>th</sup> November, 2010  
14<sup>th</sup> February, 2011  
15<sup>th</sup> May, 2011

- Date of Book closure  
Monday, the 16<sup>th</sup> August, 2010  
to Friday, the 20<sup>th</sup> August, 2010  
(both days inclusive)
- Stock Code – Physical  
10023114 on Calcutta Stock  
Exchange  
INE150D01019.
- Demat ISIN Number for NSDL and CDSL.
- High/low of market price of the Company's  
shares traded on the Stock Exchange  
during the financial year ended  
31<sup>st</sup> March, 2010  
The shares have not been traded  
during the financial 2009-10.  
The last quoted price was of Rs.3.50  
per Share as per transactions on  
Calcutta Stock Exchange on 3rd  
March, 2000.
- Registrar & Transfer Agents  
M/s.Beetal Financial & Computer  
Services (P) Ltd.,BEETAL HOUSE,  
99, Madangir, Behind Local Shopp-  
ing Centre,Near Dada Harsukh Dass  
Mandir, New Delhi-110062  
Phone No. 29961281 (6 Lines)  
Fax No. 29961284
- Share Transfer System  
All the transfers received are  
processed by the Registrar and Share  
Transfer Agent. Share Transfers are  
registered and returned within a  
maximum of 30 days from the date  
of lodgment if documents are  
complete in all respect. In case the  
shares are transferred through Demat  
mode, the procedure is adopted as  
stated in Depositories Act, 1996.

**● Share holding pattern as on 31-03-2010**

Category	No. of Shares	Percentage
Promoters	32,99,840	74.32
Persons acting in concert	-	-
Mutual Funds and UTI	-	-
Banks, Financial Institution & Insurance Companies.	-	-
FII's	-	-
Private Corporate Bodies	-	-
Indian Public	11,40,160	25.68
NRIs/ OCBs	-	-
<b>Total</b>	<b>44,40,000</b>	<b>100.00</b>

**● Distribution of shareholding as on 31<sup>st</sup> March, 2010.**

No. of Shares From To	Folios		Amount	
	Number (2)	% to Total (3)	Rs. (4)	% to Total (5)
(1)				
1 - 500	330	70.82	2,43,000	0.55
501 - 1000	12	2.57	1,10,000	0.25
1001 - 2000	63	13.52	10,60,950	2.39
2001 - 3000	-	-	-	-
3001 - 4000	-	-	-	-
4001 - 5000	-	-	-	-
5001 - 10000	01	0.21	1,00,000	0.22
10001 to above	60	12.88	4,28,86,050	96.59
<b>Total</b>	<b>466</b>	<b>100.00</b>	<b>4,44,00,000</b>	<b>100.00</b>

**Declaration of Managing Director**

The Code of Conduct for the Directors and the Senior Managerial Personnel was adopted by the Board of Directors. All the Board Members and Senior Managerial Personnel have affirmed that they have complied with the code of conduct during the financial year ended on 31<sup>st</sup> March, 2010.

V.K. Sureka  
Managing Director

Kolkata  
DATED : 24<sup>th</sup> July, 2010

**ANNEXURE TO THE REPORT OF THE DIRECTORS :  
CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE****ANNEXURE-A**

To the Shareholders of Mauria Udyog Ltd.

We have examined the compliance of conditions of Corporate Governance by Mauria Udyog Ltd., for the period ended on 31<sup>st</sup> March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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 the 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.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances is pending for a period exceeding one month against the company as per the records maintained by the Investors' Grievance Committee.

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 SALARPURIA & PARTNERS  
CHARTERED ACCOUNTANTS  
KAMAL KUMAR GUPTA  
PARTNER  
M. No. 89190

NEW DELHI  
DATED: 30<sup>th</sup> May, 2010