

**REPORT OF DIRECTORS TO THE SHAREHOLDERS OF THE COMPANY
TO THE MEMBERS**

Your Directors have the pleasure in presenting the 30th Annual Report together with the Audited Accounts of the company for the year ended 31st March, 2010.

FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 2010 are as under :-

	Rs. in Lacs	
	2009-10	2008-09
Gross Sales and Other Income	59929.43	46472.06
Gross Profit before Depreciation	885.78	653.76
Less : Depreciation	235.08	225.78
Profit before Tax	650.70	427.98
Provision for Tax	271.20	132.00
Fringe Benefit Tax	-	10.50
Profit after Tax	379.49	285.48
Excess Provision for Income Tax W/back	2.76	13.03
Adjustment for Deferred Tax Assets/(Liabilities)	(20.47)	(16.60)
Net Profit for the year	361.78	281.91
Balance Brought Forward from Previous Year	2895.28	2613.37
Amount available for Appropriation :	3257.06	2895.28
Proposed Dividend	44.40	-
Provision for Dividend Distribution Tax	6.86	-
Balance Carried Forward to Balance Sheet	3205.80	2895.28

DIVIDEND

Your Directors are pleased to recommend payment of Dividend @ 10% (Re.1/- per equity share) to the Equity Shareholders of the company for the financial year 2009-10.

FIXED DEPOSITS

The company has not accepted any deposits from public during the financial year under report and as such there are no fixed deposits outstanding as on 31st March, 2010.

CORPORATE GOVERNANCE

A detailed Report on Corporate Governance is given in "Annexure-A" to this report. The Auditors' Certificate relating to compliance of the conditions of Corporate Governance, as stipulated in clause 49 of the listing agreement with the Calcutta Stock Exchange where the shares of the company are listed is also enclosed.

DIRECTORS

In pursuance of Article 134 of the Articles of Association of the Company, Shri S.J.S. Kamra and Shri Vijay Kumar Gupta retire by rotation and, being eligible, offer themselves for re-appointment. After the conclusion of 29th Annual General Meeting, Sh. Puneet Saraf resigned from the directorship of the company and the Board of Directors do place on record their appreciation for the valuable services rendered by him during his tenure as a director of the company.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956 (here-in-after known the "Act"), it is hereby affirmed that :-

- in preparation of annual accounts, all applicable accounting standards have been followed.
- the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under report and of the profit and loss of the Company for that period.
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the Directors have prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS
OVERVIEW

Mauria Udyog Limited (MUL), is India's largest manufacturer & exporters of LPG cylinders, Valves & Regulators and also the Terry Towels. **Inspired by Innovation and driven by vision**, MUL is an ISO 9001:2000 company certified by BSI, accredited by UKAS & RVA and also HSE approved and certified by OHSAS:18001-1999 & ISO 14001:1996 by BVQI, India. The manufacturing activities of MUL are spread over in an area covering 150,000 sq. ft. and the Works are situated at Faridabad, a suburb of Delhi, capital of India.

The company has invested an amount of nearly US\$ 12 million in its modern manufacturing plant, employing a team of about 400 qualified, experienced, dedicated skilled and unskilled workers. The products are being regularly inspected and certified by reputed International Inspection agencies, such as Bureau Veritas Industrial Services Pvt. Ltd. (BVIS), SGS and Bureau of Indian Standards.

EXPOSURE TO EXPORTS OF LPG CYLINDERS

Your company had received an export order from Iraq for supply of 3.60 lacs LPG cylinders valuing US\$ 11800800 against Letter of Credit from Trade Bank of Iraq which has been successfully executed during the year under review.

The company has also become level two Vendor for Shell and Global Vendor for BP (British Petroleum). Apart from the above, it has also been granted Cylinder Manufacture Approval for DOT 4BA and DOT 39 Cylinders from US Department of Transportation.

MISSION

We are committed to satisfy our customers by providing Quality Product which gives highest value for money. We believe that employees are our most important asset through which we can reach the top in each category of our products and services. Therefore, we will emphasize on their continuous improvement through upgradation of relevant knowledge and training. We commit ourselves to continuous growth, so as to fulfil the aspirations of our customers, employees and shareholders.

COMMITTED TO QUALITY

We don't just manufacture products, we create satisfaction. Eurospa has deployed extensive resources to ensure the optimum quality of its products. The reiterative tests, the microscopic adherence to quality and inspection, all ensures that all Eurospa products are of world-class quality. We treat each and every product as a challenge, and every achievement a reason to set new goals.

MUL apart from manufacturing of LPG Cylinders being its main activity, has also undertaken the following :-

I. TERRY TOWEL DIVISION

The company undertakes manufacturing of terry towels in addition to cylinders. MUL has a top-of-the-line manufacturing facility to manufacture world-class terry towels as per the prevailing international standards.

Spread over 30,000 sq.ft., this unit boasts of an in-house and completely integrated infrastructure alongwith a talented pool of professionals from the textile industry.

The unit comprises of a modern facility and a weaving plant equipped with all the relevant machines. The ultra-modren Terry Towel Manufacturing Unit has the state-of-the-art technology sourced from Switzerland, Germany and Italy.

ZERO DEFECT PRODUCTION IN TERRY TOWEL

Automatic Fabric inspection machine has been installed to ensure that only zero defect fabric goes for production. To lend smooth velvet finish to the products, specialized shearing machines have been imported. The end product is also inspected by the finishing team for even minor defects, if any. The objective is to ship only those products which reflect MUL's unflinching commitment to quality.

II. CONSIGNMENT AGENCY

As reported earlier, the company has completed its 3rd year as a consignment agent of Rashtriya Ispat Nigam Limited, a Govt. of India Undertaking.

III. READYMADE GARMENTS

Mauria Merchandise has apparel retail of Levis Signature through its show-rooms in NCR cities viz. Delhi, Gurgaon & Mumbai.

Mauria Merchandise has also made arrangements with Reliance trends Limited to market the above mentioned brand through their show-rooms situated at Mumbai, New Delhi, Gurgaon, Ahmedabad, Jalandhar, Edapally (Kochi) and Hyderabad.

IV. INTERNATIONAL TRADING & MERCHANDISING

The company has carried on with domestic trading in agro- commodities such as soyabean meal & oil and international & domestic trading in metals such as steel, brass, zinc, copper, ferrous and non-ferrous scrap and is hopeful to do better in the near future.

V. LPG CYLINDER ACCESSORIES

The company also manufactures various other LPG Cylinder Accessories such as CI Chaps, Cylinder Guards, Neck Rings, M.S. Dead Weights, Foot Ring Diameters & Valve Guards.

RECOGNITION & AWARDS

The company is the recipient of FIEO's **Niryat Shree Bronze** Trophy Award for its excellence in exports.

The Indian Council of Small & Medium Exporters (ICSME) has awarded **Niryat Shiromani Puraskar** to Shri N. K. Sureka, a director of the company and **Gold Medal** to the company for export performance on 23.03.2007.

The company participated in the "Haryana State Safety and Welfare Awards Scheme" in the year 2006 and the Directorate of Industrial Safety & Health, Labour Department, Haryana placed on record its appreciation of the management for taking proactive steps by implementing safety, health and welfare schemes of the workers.

AUTOMATION

The company's more than 75% plant has been automized and the efforts are being made to switch over full automation in the years to come.

RESEARCH & DEVELOPMENT(R&D)

MUL has its in-house R&D facility and a fully equipped design studio that creates innovative and vibrant designs for towels in line with prevailing international trends and forecasts. The studio is equipped with CAD system and is managed by well known and talented designers. It is also fully capable of designing towels as per the buyer's designs, material and colour specifications.

The management of the company also keeps a tab on the international trends by attending various international fairs & conferences.

The company's continued focus on R&D has resulted in several approvals of its products in developed markets and significant progress in its initiative.

MUL has a complete and integrated towel manufacturing facility which makes its products internationally compatible in terms of quality and price. It also helps to reduce production lead time to a considerable extent.

It is now all set to carve a niche for itself in the competitive international market by exporting world class products.

FORGING NEW RELATIONSHIPS

Having consolidated its infrastructure and strengths, the company is planning to expand and grow its overseas market in times to come. It plans to forge mutually rewarding business associations with its potential clients. For this purpose, it has chalked out an ambitious plan. The management of the company is committed to provide its clients reliable and quality products at competitive prices and thus nurture enduring relationships with them.

The change in the international/local Govt. Policies do have its significant impact on the business of the company in the international as well as local markets, thus, effecting the volume of sales including the exports of the company.

RISK & CONCERNS

At MUL, all key functions and divisions are independently responsible to monitor risk associated within their respective areas of operations such as production, finance, insurance, shipping, legal and other issues like health, safety and environment.

Cylinders and terry towel products are globally traded commodities and their prices are subjected to international market forces of demand-supply and other factors that influence price volatility. With these two businesses presently accounting for the major proportion of MUL's revenues, changes in global price levels will have an impact on the company's performance.

As per global trend, all labour intensive manufacturing activities are being discontinued in the developed countries and are now shifting to developing countries wherein India is a preferred destination specially of products like Cylinders & Towels. The company is in an advantageous position as far as products manufactured are concerned.

AUDITORS

M/s. Salarpuria & Partners, Chartered Accountants, who retire at the conclusion of this Annual General Meeting and, being eligible, offer themselves for re-appointment. Your Directors recommend that they may be re-appointed as Auditors of the Company for the Financial Year 2010-2011 on such remuneration as is fixed by the Shareholders.

Auditors' observations are explained in various notes on the Accounts and therefore do not call for any further comments.

COMPLIANCE CERTIFICATE

Since the Paid-up Capital of your company is less than Rs.5.00 Crores and as such not required to have a whole time Secretary, a Compliance Certificate under Section 383-A(1) of the Companies Act, 1956 obtained from a Company Secretary in whole time practice, certifying that the company has complied with all the provisions of the aforesaid Act during the financial year under report, is annexed herewith.

FOREIGN EXCHANGE EARNINGS AND OUT GO

Rs.in Lacs

		2009-10	2008-09
a) C.I.F Value of Imports:	Materials	1103.98	2184.43
	Spare Parts	-	4.41
	Capital Goods	9.44	0.66
b) Earning in Foreign Exchange F.O.B. Value of Exports		9126.49	8064.92
c) Expenditure in Foreign Currency		1841.92	734.04

CONSERVATION OF ENERGY

As the products manufactured by the Company do not fall in the list of industries announced by the Government of India, the information required to be furnished in the prescribed Form 'A' is not required to be given and as such the same is not furnished herewith.

TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT

Particulars of Technology Absorption

Research and Development in Form 'B'

Nil

EMPLOYEES

As there have been no employees during the year under review who were paid remuneration of Rs. 24,00,000 per annum or more, if employed through out the year or Rs. 2,00,000/- per month and more, if employed for the part of the year, the information as required Under Section 217 (2A) of the Companies Act 1956 is thus not called for.

ACKNOWLEDGEMENT

Your Directors wish to express their gratitude to the Banks, Employees as well as Customers for their timely help in smooth functioning of your Company. Your Directors also extend their thanks to all the Shareholders of the Company for their trust and confidence in the Board of Directors of the Company.

By Order of the Board of Directors
 MAURIA UDYOG LIMITED
 (V.K. SUREKA)
 MANAGING DIRECTOR

ROOM NO. 107, 1ST FLOOR,
 ANAND JYOTI BUILDING,
 41, NETAJI SUBHAS ROAD,
 KOLKATA-700001
 (WEST BENGAL)

Date : 24th July, 2010