

**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 six Directors as under:-

Name of Director	Promoter Group Brief Particulars	Category
1. Shri V.K. Sureka	He is a graduate and an Industrialist having 41 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 20 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 K.M.Pai	He is B.E.(Mech.) and having 24 years working experience in Gas Plant He joined the Board as Promoter director w.e.f. 14 <sup>th</sup> May, 2011.	Executive
Independent		
4. Shri Mohan Lal	He is in service having 30 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
5. Shri Vijay Kumar Gupta	He is in business having 25 years experience in Steel Industry. He joined the Board as an independent director w.e.f. 30 <sup>th</sup> July, 2008.	Non-executive
6. Shri O.P. Bhardwaj	He is B.Com. (Honours) having 32 years working experience in the Pipe Industry. He joined the Board as an independent director w.e.f. 9 <sup>th</sup> April, 2012.	Non-executive

## (ii) Board Meetings and attendance

Nineteen Board Meetings were held during the financial year ended on 31<sup>st</sup> March, 2013 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.	09.04.2012	6	3
2.	24.04.2012	6	3
3.	30.05.2012	6	3
4.	15.06.2012	6	3
5.	29.06.2012	6	3
6.	10.07.2012	6	3
7.	13.08.2012	6	3
8.	14.08.2012	6	3
9	28.08.2012	6	3
10	03.09.2012	6	3
11	09.10.2012	6	3
12	05.10.2012	6	3
13	10.11.2012	6	3
14.	07.01.2013	6	3
15	11.01.2013	6	2
16	30.01.2013	6	3
17	14.02.2013	6	3
18	14.03.2013	6	3
19	18.03.2013	6	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 22.09.12	Number of Directorships in other public Ltd. Companies	Number of committee positions held in other Companies
Shri V.K. Sureka	Executive	04	Yes	2	0
Shri N. K. Sureka	Executive	16	No	2	1
Shri K. M.Pai	Executive	08	No	1	0
**Shri O.P. Bhardwaj	Non-Executive	10	No	1	0
Shri Mohan Lal	--do--	08	Yes	2	9
Shri Vijay Kumar Gupta	-do-	02	Yes	1	1
*Shri Hemant Venkataramani Lalithraj	Non-executive	-	No	0	0

\*ceased to be director w.e.f. 09.04.2012

\*\*appointed to be director w.e.f. 09.04.2012

### 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 Mohan Lal, Sh. Hemant Venkataramani Lalithraj and Shri Vijay Kumar Gupta with Shri Mohan Lal as its Chairman upto 09.04.2012 when Shri Hemant Venkataramani Lalithraj ceased to be director by resignation and Shri O. P. Bhardwaj was appointed in his place as Member.

- (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 six Meetings during the financial year 2012-13 ended on 31<sup>st</sup> March, 2013 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 2012-13 and attended by the Directors:-

Name of Director	Date of Meeting					
	30.05.12	13.08.12	14.08.12	28.08.12	10.11.12	14.02.13
Shri Mohan Lal	Yes	Yes	Yes	Yes	Yes	Yes
Shri O. P. Bhardwaj	Yes	Yes	Yes	Yes	No	Yes
Shri Vijay Kumar Gupta	No	No	No	No	Yes	No

### 4. Remuneration Committee

The Remuneration Committee consisting of three non-executive directors namely S/Shri Mohan Lal, Hemant Venkataramani Lalithraj and Vijay Kumar Gupta with Sh. Mohan Lal as its Chairman duly constituted by the Board of Directors was in existence upto 09.04.2012 when Shri Hemant Venkataramani Lalithraj ceased to be its member and Shri O. P. Bhardwaj took over from him the membership. The Committee in their meeting held on 9<sup>th</sup> April, 2012 approved the remuneration package for Shri N. K. Sureka, Managing Director w.e.f. 9<sup>th</sup> April, 2012 for a period of three years.

### 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 Chairman, Shri N. K. Sureka as Managing Director and Shri K. M. Pai as Director (Marketing) for the financial year 2012-13 ended on 31<sup>st</sup> March, 2013 was concerned, the same was made to them @ Rs.90,000/-, Rs.2,50,000/- and Rs.62,000/- plus perquisites per month respectively in accordance with Schedule XIII of the Companies Act, 1956. Details of remuneration paid/payable to the Directors during the financial year 2012-13 ended on 31<sup>st</sup> March, 2013 are as under:-

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

Name of Director	Amount (Rs.)
Shri O.P. Bhardwaj	2500/-
Shri Mohan Lal	4500/-
Shri Vijay Kumar Gupta	500/-
	-----
Total :	7500/-
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(ii)	Remuneration paid to Chaiman, Shri V. K. Sureka :-	
	a) Salary for twelve months of 2012-13 (April,2012 to March,2013)	Rs.10,80,000/-
	b) Provident Fund Contributions	Rs. 1,29,600/-
	c) Perquisites	Rs. 46,154/-
		-----
	Total :	Rs. 12,55,754/-
		-----
(iii)	Remuneration paid to Managing Director , Shri N.K. Sureka :-	
	a) Salary for twelve months of 2012-13 (April, 2012 to March,2013)	Rs. 30,00,000/-
	b) Provident Fund Contributions	Rs. 3,60,000/-
	c) Perquisites	Rs 6,73,215/-
		-----
	Total :	Rs. 40,33,215/-
		-----
(iv)	Remuneration paid to Director (Marketing) Shri K. M. Pai :-	
	a) Salary for the year 2012-13 (April, 2012 to March,2013)	Rs..8,88,000/-
	b) Provident Fund Contributions	Rs. 9,360/-
	c) Perquisites	Rs. 29,169/-
		-----
	Total :	Rs. 9,26,529/-
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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, 2013 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 consisted of two Non-executive directors namely Shri Mohan Lal and Shri Hemant Ventakaramani Lalithraj upto 09.04.2012 when Shri Hemant Ventakaramani Lalithraj ceased to be a director from whom Shri O. P. Bhardwaj took over, with Shri Mohan Lal as Chairman.

Ms. Divya Agarwal has been nominated as the Compliance Officer.

Number of pending transfers Nil

Number of Shareholders' Complaints received Nil

Number of Complaints Not solved Nil

## 8. General Body Meetings

Details of Location and time of holding of last three AGMs

AGM for the financial year ended	Venue	Date	Time
2009-2010 30 <sup>th</sup> AGM	Room No.107, 1 <sup>st</sup> Floor, Anand Jyoti Building, 41, Netaji Subhas Road, Kolkata-700001	20.08.2010	2.00 P.M.
2010-2011 31 <sup>st</sup> AGM	Room No.107, 1 <sup>st</sup> Floor, Anand Jyoti Building, 41, Netaji Subhas Road, Kolkata-700001	29.07.2011	2.00 P.M.
2011-2012 32 <sup>nd</sup> AGM	Room No.107, 1 <sup>st</sup> Floor, Anand Jyoti Building, 41, Netaji Subhas Road, Kolkata-700001	22.09.2012	2.00 P.M.

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

(i). Shri K. M. Pai :-

Shri K. M. Pai is B.E.(Mech.) having 24 years experience in Gas Plant. He was appointed as an independent director of the company on 14<sup>th</sup> May, 2011. 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	33rd AGM to be held on Friday, the 16 <sup>th</sup> August, 2013 at 2.00 PM at Anand Jyoti Building, Room No.107, 1 <sup>st</sup> Floor, 41, Netaji Subhas Road, Kolkata – 700 001
<ul style="list-style-type: none"> <li>• Financial Calendar (Tentative)</li> </ul>	
Results for quarter ending June 30, 2013	14 <sup>th</sup> August, 2013
Results for quarter ending September 30, 2013	14 <sup>th</sup> November, 2013
Results for quarter ending December 31, 2013	14 <sup>th</sup> February, 2014
Audited Results for the entire Financial Year ending March 31, 2014	30 <sup>th</sup> May, 2014
<ul style="list-style-type: none"> <li>• Date of Book closure</li> </ul>	
Stock Code – Physical	10023114 on Calcutta Stock Exchange
Demat ISIN Number for NSDL and CDSL	INE150D01019.
<ul style="list-style-type: none"> <li>• 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, 2013</li> </ul>	
	The shares have not been traded during the financial 2012-13. The last quoted price was of Rs.3.50 per Share as per transactions on Calcutta Stock Exchange on 3rd March, 2000.
<ul style="list-style-type: none"> <li>• Registrar &amp; Transfer Agents</li> </ul>	
	M/s.Beetal Financial & Computer Services (P) Ltd., BEETAL HOUSE, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi-110062 Phone No. 29961281 (6 Lines) Fax No. 29961284
<ul style="list-style-type: none"> <li>• Share Transfer System</li> </ul>	
	All the transfers received are processed by the Registrar and Share Transfer Agent. Share Transfers are registered and returned within a maximum of

15 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 31-03-2013

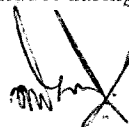
Category	No. of Shares	Percentage
Promoters	98,99,520	74.32
Persons acting in concert	-	-
Mutual Funds and UTI	-	-
Banks, Financial Institution & Insurance Companies.	-	-
FII's	-	-
Private Corporate Bodies	-	-
Indian Public	34,20,480	25.68
NRI's/ OCBs	-	-
Total	1,33,20,000	100.00

• Distribution of shareholding as on 31<sup>st</sup> March, 2013.

No. of Shares From To	Folios		Amount	
	Number	% to Total	Rs.	% to Total
(1)	(2)	(3)	(4)	(5)
1 - 500	421	79.89	4,46,850	0.34
501 - 1000	15	2.85	1,06,500	0.08
1001 - 2000	16	3.04	2,14,500	0.16
2001 - 3000	06	1.14	1,60,500	0.12
3001 - 4000	-	-	-	-
4001 - 5000	02	0.38	93,000	0.07
5001 - 10000	05	0.95	2,70,000	0.20
10001 to above	62	11.75	13,19,08,650	99.03
Total	527	100.00	13,32,00,000	100.00

**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, 2013.



N .K. Sureka  
Managing Director

15 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 31-03-2013

Category	No. of Shares	Percentage
Promoters	98,99,520	74.32
Persons acting in concert	-	-
Mutual Funds and UTI	-	-
Banks, Financial Institution & Insurance Companies.	-	-
FII's	-	-
Private Corporate Bodies	-	-
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NRIs/ OCBs	-	-
Total	1,33,20,000	100.00

• Distribution of shareholding as on 31<sup>st</sup> March, 2013.

No. of Shares From To	Folios		Amount	
	Number	% to Total	Rs.	% to Total
(1)	(2)	(3)	(4)	(5)
1 - 500	421	79.89	4,46,850	0.34
501 - 1000	15	2.85	1,06,500	0.08
1001 - 2000	16	3.04	2,14,500	0.16
2001 - 3000	06	1.14	1,60,500	0.12
3001 - 4000	-	-	-	-
4001 - 5000	02	0.38	93,000	0.07
5001 - 10000	05	0.95	2,70,000	0.20
10001 to above	62	11.75	13,19,08,650	99.03
Total	527	100.00	13,32,00,000	100.00

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N .K. Sureka  
Managing Director

Kolkata

Dated: 15<sup>th</sup> July, 2013



## AUDITORS' CERTIFICATE

To the Shareholders of Mauria Udyog Limited

We have examined the compliance of conditions of Corporate Governance by Mauria Udyog Limited for the period ended on 31<sup>st</sup> March, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

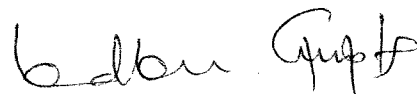
The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression 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, 2013

