



## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholders value and discharge of social responsibility. At Mayur Leather Products Limited our employees and shareholders satisfaction take the highest place, employees satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity. Mayur Leather Products Ltd. is committed to the highest standards of Corporate Governance in all its activities and processes. It has always believed that an independent and diversified Board following best practices, transparent disclosures and empowerment of Shareholders are as necessary as solid financial results for creating and sustaining shareholder's value. The Company fully recognizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company strives for the fullest possible disclosure standards. It provides detailed information on various issues concerning the Company's business and financial performance to its shareholders. The Board of the Company acts with autonomy and independence in exercising strategic supervision, discharging its fiduciary responsibilities and in ensuring that the management observes high standards of ethics, transparency and disclosure.

Corporate Governance is a Journey for constantly improving sustainable value creation and is an upward moving target. The Company has always ensured that all the provisions of Corporate Governance as stipulated under Clause 49 of the Listing Agreements with all the Stock Exchanges where the Company is listed are complied with the utmost perfection, with the exception of its board composition. It is not that the Company is overlooking this important requirement of the Listing Agreement, infact the Company is always on the look out for qualified and experienced personnel who could come and join the Board of the Company to make the Company grow even stronger with all their wisdom and the experience which shall also help the Company fulfilling the stipulations of the clause. The Company is confident of making the necessary additions to its board shortly.

### BOARD OF DIRECTORS

#### **Board Procedure**

The members of the Board are provided with the requisite information mentioned in the Listing Agreements well before the Board meetings.

The Board considers all the matters, which are statutorily required to be considered by it in addition, following issues are also discussed at the meetings of the Board:

- Annual operating and capital expenditure budgets and periodical review thereof.
- Investment /expansion /modernization /diversification plans of the Company.
- Overall strategy and business plans.
- Approval of quarterly / half-yearly / annual results (after review by Audit Committee).
- Compliance with statutory / regulatory requirements and review of major pending legal cases.
- Major accounting practices, provisions and write-offs.
- Transactions pertaining to acquisition /disposal of fixed assets /related party transactions.
- Review of working of various committees of the Board.
- Significant labour problems, if any.

All the Directors, who are members of the various committees, are within the limits prescribed in the Listing Agreements. The Directors have intimated, from time to time, about their directorship / membership of committees in other Companies.

Details of Shareholding of Directors as on 31<sup>st</sup> March, 2010:

Sr. No.	Name of Director	Number of shares
1.	Rajendra Kumar Poddar	9,49,894
2.	Shri Keshav Deo Agarwal	1,07,500
3.	Shri Rajesh V. Gupta	4,28,300
4.	Smt. Amita Poddar	5,58,100



## MAYUR LEATHER PRODUCTS LIMITED

The Company has not issued any shares / debentures during the year.

### Composition

The Board of Directors presently consists of four Directors. The composition and category of Directors is as follows:

Category	Name of Directors	DIN
Promoter/ Executive Director	Shri Rajendra Kumar Poddar	00143571
Non-Executive Directors	Shri Keshav Deo Agarwal	00172149
	Shri Rajesh V. Gupta	00814841
	Smt. Amita Poddar	00143486

### Board Meetings

As per the statutory provisions the Board is required to meet at last once every quarter and minimum 4 times in a year with the time gap between two consecutive meetings not exceeding four months. As against this, during the period under review the Board held 8 (eight) meetings on 30.04.2009, 30.06.2009, 31.07.2009, 12.08.2009, 22.08.2009, 30.10.2009, 13.11.2009 and 30.01.2010 to consider amongst other business, the quarterly / annual performance of the Company and its financial results.

### Attendance particulars of Board Meeting, Annual General Meeting and Committee Memberships

Name of Director	Attendance Particulars		No. of Directorship and Committee membership/ Chairmanship in other Public Cos.		
	Board Meetings	Last AGM	Total outside Directorship	Committee Membership	Committee Chairman
1. Shri R.K. Poddar	8/8	Present	Nil	Nil	Nil
2. Shri R.V. Gupta	7/8	Absent	2	Nil	Nil
3. Smt Amita Poddar	8/8	Present	Nil	Nil	Nil
4. Shri K.D. Agarwal	8/8	Present	Nil	Nil	Nil

### BOARD COMMITTEES

#### 1. AUDIT COMMITTEE

The Audit Committee has been constituted as per the Section 292A of the Companies Act, 1956 and the guidelines of the Listing Agreements with the stock Exchanges. The Terms of reference of Audit Committee include:

- Effectively supervise the financial reporting process.
- Review the quarterly and annual financial results before placing them before the Board.
- Hold discussions with Statutory Auditors on the nature and scope of audits.
- Ensure compliance with accounting standards and listing requirements concerning financial statements.
- Review the adequacy of internal controls in the Company including the plan.
- Recommend the appointment and removal of Statutory Auditors and their fees and approval for payment for any other services.
- Reviewing the Company's financial and risk management policies.
- Review the functioning of the Whistle Blower mechanism.
- Approving the internal Audit plan and reviewing the efficacy of the function.



## MAYUR LEATHER PRODUCTS LIMITED

### Composition and Attendance

Name of the Member	Meetings Attended
Shri K.D. Agarwal (Chairman)	6/6
Shri R.V. Gupta (Member)	6/6
Smt. Amita Poddar (Member)	6/6

The Statutory Auditors, Internal Auditors, Chief Financial Officer & Compliance officer are invited to attend and participate at the meetings of the Committee.

### Meetings of the Audit Committee

During the period under review the Committee met 6 (Six) times on 30.04.2009, 30.06.2009, 31.07.2009, 22.08.2009, 30.10.2009 and 30.01.2010.

### 2. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee has been constituted as per the provisions set out in the Listing Agreement. The Terms of reference include:

- Approve transfers, transmissions, issue of duplicate certificates, transposition, change of names, etc. and to do all such acts, deeds, matters and things as connected therein.
- Review complaints of the shareholders and the action taken by Company.
- Take note of the Quarterly Secretarial Audit Report and half yearly Compliance Certificate under Clause 47 of the Listing Agreement.

### Composition and attendance

Name	Meetings Attended
Smt. Amita Poddar (Chairperson)	4/4
Shri R.K. Poddar (Member)	4/4
Shri K. D. Agarwal (Member)	4/4

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent / issues resolved usually within 15 days.

During the year the Company received a total of 1 complaint from the shareholders & the same was attended promptly and resolved to the satisfaction of the shareholder. There were no pending complaint or share transfer cases as on 31<sup>st</sup> March 2010, as per the certificate given by RTA.

Shri Ashok Gupta acts as the Compliance Officer of the Committee.

### Meetings of the Shareholders / Investor Grievance Committee

During the period under review the Committee met 4 (Four) times on 30.04.2009, 31.07.2009, 30.10.2009 and 30.01.2010.

### 3. REMUNERATION COMMITTEE

The Remuneration Committee has been constituted as per the provisions set out in the Listing Agreement. The terms of reference include the following:

- To review, assess and recommend to the Board the remuneration for appointment / re-appointment of executive and non-executive Directors and compensation payable.
- To consider and recommend human resource policies relating to compensation and performance management.



## MAYUR LEATHER PRODUCTS LIMITED

### Composition and Attendance

Name	Meetings Attended
Shri R.V. Gupta (Chairman)	1/1
Shri K. D. Agarwal (Member)	1/1
Smt. Amita Poddar (Member)	1/1

### Meeting of Remuneration Committee

During the period only one meeting was conducted by the Committee on 30.06.2009.

### Remuneration of Directors

The non-executive Directors do not draw any remuneration including the sitting fee. The details of the remuneration of the Managing Director (Executive) for the financial year 2009-2010 are as under:

Name	Salary	Contribution To PF	Leave Encashment	Bonus	LTA	Rs.
						Total
Shri R.K. Poddar	11,34,000	1,36,080	66,150	2,16,000	-	15,52,230

### Shareholding of Non-Executive Directors as on 31<sup>st</sup> March, 2010

Name	No. of Shares	%age
1. Shri R. V. Gupta	4,28,300	8.86
2. Shri K. D. Agarwal	1,07,500	2.22
3. Smt. Amita Poddar	5,58,100	11.54

### GENERAL BODY MEETINGS

Details of last 3 Annual General Meetings were as under:

Year	Date	Day	Time	Venue	Special Resolution Passed
2007	16.07.2007	Monday	11.00 A. M	G-60-62 & 67-69, Jaitpura Industrial Estate, Jaitpura, Jaipur - 303704.	None
2008	07.08.2008	Thursday	11.00 A. M	G-60-62 & 67-69, Jaitpura Industrial Estate, Jaitpura, Jaipur - 303704.	None
2009	12.08.2009	Wednesday	11.00 A. M	G-60-62 & 67-69, Jaitpura Industrial Estate, Jaitpura, Jaipur - 303704.	Re-appointment of Shri R. K. Poddar, Managing Director of the Company for a period of 5 years w.e.f 12 <sup>th</sup> September, 2009.

### Postal Ballot

During the year, the shareholders of the Company passed on special resolution through postal ballot. Detailed procedure followed by the Company is provided hereunder:

1. The Board of Directors of the Company in its meeting held on 13<sup>th</sup> November, 2009, sought approval of shareholders through postal ballot for the following special resolution:

Altering Memorandum of Association of the Company by altering the Main objects of the Company by adding the following as sub-clause 5 after the existing sub-clause 4 under clause 3(A) in the Main Objects of Memorandum of Association of the Company:



"5. To carry on the business of hotel, resorts, palaces, restaurant, hospitality, branded accommodation sector, cafeteria, beer-house, lodging house keepers, licensed victuallers, wine, beer and spirit merchants, malters, dealers and manufactures of aerated and artificial waters and other drinks, purveyors, caterers for public amusements, coach-cab carriage and motor car proprietors, livery, stable and garage keepers importers of food, live and dead stock for the business of the Company, proprietors of clubs, baths, dressing rooms, laundries, reading, writing and newspapers rooms, libraries, grounds and places of amusements, recreations, sports, entertainment and instruction and facilities of all kinds relating thereto, in India and abroad."

2. The notice of Postal Ballot dated 13<sup>th</sup> November, 2009, Postal Ballot form and self-addressed pre-paid postage envelope were sent to the shareholders. The last date of receipt of the Postal Ballot form from the shareholders was 17<sup>th</sup> December, 2009.
3. Shri Manoj Maheshwari, Scrutinizer to the Postal Ballot submitted his report dated 19<sup>th</sup> December, 2009 and based on the said report, result of Postal Ballot were declared on 19<sup>th</sup> December, 2009 as under:

Details of the voting pattern of the said postal ballot were as follows:

		<u>% of total capital</u>
No. of forms received	: 54	
No. of shares Held for which forms received	: 26,83,895	55.51%
No. of votes entitled	: 26,83,895	55.51%
No. of votes cast in favor	: 26,83,895	55.51%
No. of votes cast in against	: NIL	-

The resolution was approved by majority of the shareholders.

### **Extra-Ordinary General Meeting**

No Extra-Ordinary General Meeting was held during the last three financial years.

### **CODE OF CONDUCT**

All Directors and Senior Management Personnel of the Company have affirmed compliance with the provisions of the code of conduct for the financial year ended on March 31<sup>st</sup>, 2010.

### **UNCLAIMED DIVIDEND**

Shareholders who have not encashed their dividend warrants are requested to claim such dividend. The dividend, if unclaimed /unpaid for 7 years will be transferred by the Company to Investors Education and Protection Fund (IEPF). It may be noted that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof. Dividend remain unpaid / Unclaimed for the year ended 31<sup>st</sup> March, 2003 will be transferred to IEPF in the current financial year.

### **CEO & CFO CERTIFICATE**

Certificate from CEO & CFO for the financial year ended on March 31, 2010 have been provided elsewhere in the Annual Report.

### **DISCLOSURES**

- Related Party Transactions:** The Company has not entered into any transactions of material nature with the promoters, directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.
- Disclosure of Compliances by the Company:** During the last three years, no penalties or strictures have been imposed on the Company by the stock exchanges or SEBI or any other statutory authorities on matters related to capital market.
- Remuneration Committee:** The Company has constituted Remuneration Committee.



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- **Shareholders' Rights:** The quarterly Financial Results are published in the newspapers as mentioned under the heading "Means of Communication".
- **Audit Qualifications:** There are no qualifications in the Company's Financial Statements for the year under reference.
- **Whistle Blower Policy:** The Company has established necessary mechanism in line with requirement given under Clause 49 of Listing Agreement for employees to report concerns about unethical behavior. No personnel have been denied access to the audit committee.

### MEANS OF COMMUNICATION

- a. The Company regularly furnishes /intimates un-audited as well as audited financial results to the stock exchanges immediately after these are taken on record by the Board. The quarterly and half-yearly un-audited financial results and the annual audited financial results are also published by the Company in one English leading national newspaper i.e. Financial Express and one Hindi newspaper of repute circulated widely in the regional language of the state i.e. Samachar Jagat. As such the half-yearly and quarterly results are not sent to shareholders individually. As the Company publishes the audited annual results within a stipulated period of 60 days from the close of the financial year, the un-audited results for the last quarter are not published in the newspapers. All price sensitive information is made available at the earliest through newspapers and intimated to the stock exchanges for public dissemination.
- b. Management Discussion and Analysis Report forms part of the Report of the Directors.

### GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting  
- Day, date & time : Saturday, the 17<sup>th</sup> July, 2010 at 11 A.M.  
- Venue : G-60-62 & 67-69, Jaitpura Industrial Estate, Jaitpura – 303704 Jaipur
2. Financial Calendar (Tentative)  
- Result for the qtr ending June 30, 2010 : Within 45 days from end of quarter.  
- Result for the qtr ending Sept 30, 2010 : Within 45 days from end of quarter.  
- Result for the qtr ending Dec 31, 2010 : Within 45 days from end of quarter.  
- Result for the qtr ending Mar 31, 2011 : Within 45 days from end of quarter.
4. Dividend Payment date : On or after 17<sup>th</sup> July, 2010
5. Listing of Equity Shares in Stock Exchanges : Bombay Stock Exchange Limited (BSE).  
The Company has duly paid the listing fee for the year 2010-2011 to Bombay Stock Exchange Limited.
6. Demat ISIN exchange number in NSDL & CDSL for Equity Shares : INE 799E01011
7. Stock Code (BSE) : 531680
8. Corporate Identification Number (CIN) allotted by the Ministry of Corporate Affairs : L19129RJ1987PLC003889

#### 9. Market Price Data (BSE)

Year	High	Low	Volume
2009-10	(Rs.)	(Rs.)	(Nos.)
April 09	19.05	15.00	10164
May 09	20.90	16.55	3517
June 09	21.10	17.60	37041
July 09	20.00	16.35	7777
Aug 09	19.80	16.75	9422
Sept 09	20.70	18.20	15937
Oct 09	20.85	18.10	9174
Nov 09	20.20	18.15	12070
Dec 09	22.05	19.05	40583





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Jan 10	23.80	19.80	69302
Feb 10	23.65	19.00	12728
Mar 10	24.80	17.80	15243

10. Performance of Company's shares in comparison to BSE Sensex



11. **Registrars and Transfer Agents**

**Link Intime India Pvt Ltd.** (Formerly M/s Intime Spectrum Registry Limited)  
A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase-II,  
Near Batra Banquet Hall, New Delhi - 110 028  
Ph: 91-11-41410592-94/ Fax: 91-11-41410591  
e-mail: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

12. **Share Transfer System**

The Company has appointed Link Intime India Pvt. Limited (Formerly M/s. Intime Spectrum Registry Ltd.) as the Registrars and Transfer Agents (RTA) in addition to the electronic connectivity already being availed through them. As on date all the work related to the shares both held in physical and electronic form is handled by the RTA. All correspondences are to be directed to the RTA at their address mentioned at point no. 11 supra. The correspondences may also be sent at the Company's address, which will be sent by the Company to the RTA.

13. **Secretarial Audit**

Secretarial Audit for reconciliation of shares held with Depository Participants and in Physical form is being carried out in every quarter by a practicing Company Secretary and his audit report is placed before the Board for its perusal and filed regularly with the Stock Exchange within the stipulated time.

14. **Distribution of Shareholding as on 31<sup>st</sup> March, 2010**

Promoters & Promoters Group Holding	No. of Shares	%
- Indian Promoters	19,36,294	40.05
- Persons acting in concert	16,85,100	34.85
<b>Non Promoters Holding</b>		
- Mutual Funds	89,538	1.85
- Private Bodies Corporate	42,118	0.87
- NRI	6,200	0.13
- Indian Public	10,75,550	22.25

15. **Distribution Schedule:**

Shares holding (No. of shares)	Shareholders		Share holding	
	Number	% to Total	No. of Shares	% to Total
Upto 250	444	56.561	50792	1.051
251 - 500	143	18.217	59519	1.231



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501 - 1,000	111	14.140	88969	1.840
1,001 - 2,000	26	3.312	36543	0.756
2,001 - 3,000	7	0.892	17244	0.357
3,001 - 4,000	7	0.892	24233	0.501
4,001 - 5,000	3	0.382	13863	0.287
5,001 - 10,000	7	0.892	48490	1.003
10,001 & Above	37	4.712	4495147	92.974
<b>Total</b>	<b>785</b>	<b>100.000</b>	<b>4834800</b>	<b>100.000</b>

- 16 **Dematerialisation / Liquidity of Shares** : Being listed on BSE, Shares of the Company are being regularly traded. 61.09 % of the Company's paid-up equity share capital has been dematerialised upto 31<sup>st</sup> March 2010
- 17 **Outstanding GDRs/Warrants and Convertible Instruments** : The Company has not issued GDRs / Warrants or any other instruments which is convertible into Equity Shares of the Company.
- 18 **Plant Location** : G-60-62 & 67-69, Jaitpura Industrial Estate, Jaitpura – 303 704, Jaipur (Rajasthan).
- 19 **Address for Correspondence**  
Investor correspondence : **Link Intime India Pvt Limited**  
A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi – 110 028  
Ph: 011-41410592-94 / Fax- 011-41410591  
e-mail – [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)  
**E mail ID** : [mlp@mayurleather.com](mailto:mlp@mayurleather.com)
- Exclusive e-mail Id for redressal of investors complaints in terms of Clause 47(f) of the Listing Agreement, please use the following contents for redressal of Investors Complaints:-  
**Compliance Officer** :  
Mr. Ashok Gupta  
B-5, Vrindavan Apartments, Vrindavan Vihar, King's Road, Jaipur-302019 (Rajasthan).  
Ph: 91-99289 11947 Fax: 91-141-2810385  
e-mail: [mlp@mayurleather.com](mailto:mlp@mayurleather.com)

For and on behalf of the Board of Directors

DATE: 29th May, 2010  
PLACE: JAIPUR

Sd/-  
R. V. Gupta  
Director

Sd/-  
R. K. Poddar  
Managing Director