



REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance :

The Company's endeavour is to realise and sustain growth in long term value for the shareholders on a path of sound business ethics and moderate risks in the extremely competitive business environment, by consistently maintaining an enlightened, transparent and responsible approach towards the shareholders as well as all other interests concerned with it. It functions with a need based non-obstructive appropriate setup of internal controls on propriety of all transactions and on the overall management and operations of company's business, which is carried on by the Executive Directors and Professional Managers. Earnest efforts are made to make best possible compliance of all legal as well as other obligations. In addition to the requisite statutory and internal audits, the necessary internal control systems are in place. True to one of the longstanding basic tenets of its policy hithertofore, the company maintains a socially responsible corporate profile.

2. Board of Directors :

The Board consists of 6 Directors. The composition and category of which is as under:

Name of the Director/Promoter	Category	Directorship in other public limited companies and Committee Membership	
		Other Directorship *	Committee Membership
Shri LN Bangur	Promoter – Executive	11	2
Smt. Alka Bangur	Promoter – Non-Executive	2	-
Shri Chandravadan Desai	Independent – Non-Executive	1	-
Shri Amitav Kothari	Independent – Non-Executive	-	-
Shri SS Kothari	Independent – Non-Executive	4	-
Shri AL Maheshwari	Non- Promoter – Executive	-	-

* Excludes directorship in Private Limited Companies.

The Board meets at least once in a quarter to consider amongst other business, the quarterly performance of the Company and the financial results. During the year under review, Seven Board meetings were held on 30.06.2007, 30.06.2007, 27.07.2007, 27.10.2007, 13.11.2007, 29.01.2008 and 24.03.2008.

Attendance of each Director at these meetings and at the last Annual General Meeting was as follows : :

Name of Director	No. of Board Meetings Attended	Attendance at the last AGM
Shri LN Bangur	6	No
Smt. Alka Bangur	7	No
Shri Chandravadan Desai	3	No
Shri Amitav Kothari	7	No
Shri SS Kothari	7	No
Shri AL Maheshwari	2	Yes

Code of Conduct : A code of conduct framed on the lines as stipulated under clause 49 of the Listing Agreements, applicable for the members of the Board as well as the functional heads of the company, is in place. The affirmation of compliance of the same has been confirmed on part of all members of the Board and the functional heads.

3. Audit Committee :

There is an audit committee in place as per the requirement of clause 49 of the Listing Agreement. Broad terms of reference for the Audit Committee are sufficiently wide to cover its role as specified under the said agreement.

Four Audit Committee meetings were held during the financial year 2007-08 on 30.06.2007, 27.07.2007, 27.10.2007 and 29.01.2008.

Attendance of the Committee members at these meetings was as follows :

Name of Director	Status of the Director	No. of Meetings Attended
Shri SS Kothari	Chairman	4
Shri Amitav Kothari	Member	4
Smt. Alka Bangur	Member	4

4. Remuneration of Directors :

(Rs. in lacs)

Name of Director	Salary	Contribution to PF	Commission on profits	Perquisites	Sitting Fees	Total
Shri LN Bangur (CMD)	33.53	2.68	-	-	-	36.21
Smt. Alka Bangur	-	-	-	-	0.39	0.39
Shri Chandravadan Desai	-	-	-	-	0.09	0.09
Shri Amitav Kothari	-	-	-	-	0.33	0.33
Shri SS Kothari	-	-	-	-	0.39	0.39
Shri AL Maheshwari (MD)	19.42	2.33	-	0.66	-	22.41

5. Shareholders/Investors Grievance Committee:

Shareholders/Investors Grievance Committee of the Company performed its functions throughout the year. Shareholders/ Investors Grievances/ complaints were redressed promptly to the satisfaction of the concerned shareholder/investor.

Two meetings of the Committee were held during the financial year 2007-08, i.e. on 30.06.2007 and 27.10.2007. The attendance of the committee members to these meetings were as follows :

Name of Director	Status of the Director	No. of Meetings Attended
Shri SS Kothari	Chairman	2
Smt. Alka Bangur	Member	2
Shri AL Maheshwari	Member	1

6. General Body Meetings :

a) Location and time for last three Annual General Meetings :

Year	Meeting	Venue / Location	Date	Time
2005	AGM	A-2 Prithviraj Road, C Scheme Jaipur – 302005	30.08.2005	4 PM
2006	AGM		16.09.2006	4 PM
2007	AGM		17.09.2007	4 PM

b) Whether any special resolution passed : Yes
in the previous 3 AGMs
Details of which
are given herebelow:

Date	Matter
30.08.2005	Amendment of Articles of Association (for increase in No. of Directors)
30.08.2005	Delisting of Shares from Jaipur Stock Exchange Ltd.
30.08.2005	Increase in remuneration of CMD
30.08.2005	Increase in remuneration of MD
30.08.2005	Payment of Sitting Fee to Non-Executive Director

Bhasha Parishad, 36A, Shakespeare sarani, Kolkata – 700 017.

- b. Financial Calendar
- Financial Year : 1st April to 31st March every year
- Quarterly Financial reporting : Within one month from the end of each quarter except the fourth quarter when Annual Results are published within three months.
- c. Date of Book Closure : 25th September, 2008 to 30th September, 2008 (Stock Exchange will be duly notified)
- d. Dividend Payment : Within 30 days from 30th September, 2008 (the date of the next AGM), if any, as may be approved by the members of the Company as recommended by the Board.
- e. Stock Code : BSE - 530059
CSE - M019
- f. Listing at Stock Exchanges : At Bombay Stock Exchange Limited, Mumbai ; and The Calcutta Stock Exchange Association Ltd., Kolkata
- g. Market Price Data : The market price and volume of the Company's shares traded in the Stock Exchange, Mumbai and the Calcutta Stock Exchange during the year 2007-08 are as follows :

Year 2007-08	BSE		CSE*		VOLUME	
	High (Rs).	Low (Rs).	High (Rs).	Low (Rs).	BSE (Nos.)	CSE (Nos.)
April	148.55	119.05	-	-	19799	-
May	172.00	133.10	-	-	41845	-
June	150.80	135.20	-	-	23648	-
July	174.00	135.25	-	-	28634	-
August	158.00	130.00	-	-	26127	-
September	246.00	156.00	-	-	199810	-
October	202.45	142.05	-	-	33897	-
November	286.40	175.00	-	-	193176	-
December	298.00	233.00	-	-	139091	-
January	279.75	169.35	-	-	49144	-
February	206.50	147.15	-	-	18233	-
March	164.00	90.00	-	-	104633	-

h. Registrar and Transfer : Maheshwari Datamatics Pvt. Ltd.
Agent (Physical/
Electronic Shares) 6 Mangoe Lane , Surendra Mohan
Ghosh Sarani, 2nd Floor,
Kolkata – 700 001.

i. Share Transfer System :

Share transfer is normally effected within a period of 15 days from the date of receipt, if all required documentation are submitted. All requests for dematerialisation of shares are processed and confirmation is given to the depositories within 15 days. Senior executives of the Company and the Company Secretary are empowered to approve transfer of shares.

j. Distribution of Shareholding as on 31st March, 2008 :

No. of shares held	No. of share-holders	% of share-holders	No. of shares held	% of share-holding
1 to 1000	2250	94.06	400965	4.64
1001 to 5000	91	3.81	202029	2.34
5001-10000	12	0.50	93827	1.09
10001 & above	39	1.63	7943179	91.93
Total	2392	100.00	8640000	100.00

k. Categories of share holding as on 31st March, 2008:

Share Holders	No. of shares held	% of total shares held
Promoters	7231400	83.70
FIs	NIL	NIL
FIIIs	NIL	NIL
Mutual Funds	NIL	NIL
Banks	NIL	NIL
Corporate Bodies	664428	7.69
NRIs	11139	0.13
Others	733033	8.48
Total	8640000	100.00

l. Dematerialisation of Shares :

As on 31st March, 2008, 61.48% of the Company's equity shares have been dematerialised. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in the dematerialised form with effect from 26.12.2000.

m. Plant Location : Maharaja Shree Umaid Mills Ltd.
Jodhpur Road
Pali Marwar - 306401 (Rajasthan)

- n. Address for Correspondence : 1 Share Transfer Agent :
M/s Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane,
Surendra Mohan Ghosh Sarani,
2nd Floor,
KOLKATA – 700001
- 2 Maharaja Shree Umaid Mills Ltd.
Jodhpur Road
Pali Marwar - 306401 (Rajasthan)

CEO'S DECLARATION

This is to declare that as a measure of following sound Corporate Governance practices and the requirements of the Listing Agreements, the Company has framed a Code of Conduct to be observed by the members of the Board of Directors and the Functional Heads of the Company.

This is to state that all the members of the Board of Directors and the Functional Heads of the Company have furnished their affirmations for due observance and compliance on their part of the Code of Conduct laid down as above and there is no non-compliance thereof during the year ended 31st March, 2008.

Kolkata
30th June, 2008

LN Bangur
Chairman & Managing Director
CEO