

FIFTEENTH ANNUAL REPORT 1999-2000

MAYUR LEATHER PRODUCTS LIMITED

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BOARD OF DIRECTORS

Shri S. K. Poddar	-	Chairman
Shri R. K. Poddar	-	Managing Director
Shri Manav Poddar	-	Whole Time Director
Shri Rajesh V. Gupta	-	Director

BANKERS

Canara Bank
Overseas Branch
Gopinath Marg, Jaipur

AUDITORS

Madhukar Garg & Co.
Chartered Accountants
2A, Raj Apartment,
Keshav Path,
C-Scheme, Jaipur

REGISTERED OFFICE

1st Floor,
Rotary Bhawan,
Church Road, Jaipur

FACTORY

G-60 to 62 & 67 to 69,
Udyog Vihar Industrial Estate,
Jaitpura, Dist. Jaipur (Raj.)

VENUE

1st Floor,
Rotary Bhawan,
Church Road, Jaipur

Dated: 15th September, 2000 at 11.00 A.M.

As a measure of economy, copies of the Annual report will not be distributed at the annual general meeting. Share holders are requested to kindly bring their copies to the meeting.

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NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of **M/s. MAYUR LEATHER PRODUCTS LIMITED**, will be held at its Registered Office at Rotary Bhawan, Church Road, Jaipur on Friday the 15th September, 2000 at 11.00 A.M. to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 and the Profit & Loss Account for the year ended on that date together with the Annexed Auditors' Report thereon and the report of Directors.
2. To elect a Director in place of Mr. Rajesh V. Gupta, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint the Auditors and fix their remuneration.

SPECIAL BUSINESS :

4. To consider, and, if though fit, to pass with or without modification, the following as a Special Resolution: -

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification and re-enactment thereof, for the time being in force), the Articles of Association of the Company be and are hereby altered in the manner and to the extent set out below: -

The following new Articles together with the marginal notes be inserted as Articles 17 A After the existing Articles 17.

"17A DEMATERIALISATION OF SECURITIES

For the purpose of this Article:

a. Definitions

"Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996.

"Depositors Act" shall mean the Depositories Act, 1996 or any statutory modification(s) or re-enactment thereof.

"Depository" means a Company formed and registered under the Act and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992 and wherein the securities of the Company are dealt with in accordance with the provisions of the Depositories Act.

"SEBI" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992; and

"Security" means the shares, Scripps, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature, in the Company as are permitted to be dealt with in a depository.

b. Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act.

c. Option for Investors

Every person subscribing to/acquiring securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold this security with a depository, the Company shall intimate such depository the details of allotment of the security for entry in its record the name of the allottee as the beneficial owner of the security.

d. Securities in Depositories to be in fungible Form

All Securities of the Company held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

e. Rights of Depositories and Beneficial Owners

- i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership or security on behalf of the beneficial owners.
- ii) Save as otherwise provided in (i) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by the depository.

f. Service of Documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository in the Company by means of electronic mode or by delivery of floppies or discs.

g. Transfer of Securities

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owner in the record of the depository.

h. Allotment of Securities dealt with by a Depository

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

I. Distinctive number of Securities held in a Depository

Nothing contained in the Act or these Articles regarding necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in a depository.

J. Register and Index of Beneficial Owners

The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles."

By Order of the Board

Sd/-

[MANAV PODDAR]

DIRECTOR

PLACE : JAIPUR

DATED : July 28th, 2000

NOTES (Forming part of the notice)

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY , THE INSTRUMENT APPOINTING PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULE TIME OF THE MEETING. A BLANK PROXY FORM IS ANNEXED TO THE ANNUAL REPORT.
- 2) The register of members and Shares Transfer books of the Company will remain closed from Tuesday 12th September, 2000 to Friday 15th September, 2000 (Both days inclusive).
- 3) Members who are holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to enable the Company to consolidated their holdings in one folio.
- 4) Members are requested :-
 - a) to notify immediately any change in their address quoting there folio nos.
 - b) to bring their copy of the Annual Report alongwith at the meeting.
 - c) to bring the attendance slip sent herewith duly field in for attending the meeting and the same should be deposited at the entrance of the Meeting hall.
- 5) The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No.4, is annexed hereto.
- 6) Equity Shares of the Company are listed for trading in the following Stock Exchange(s):-

S. No.	Name of the Exchange	Address
1	The Jaipur Stock Exchange Limited	Stock Exchange Building, Malviya Nagar, Jaipur
2	The Stock Exchange , Ahmedabad	Kamdhenu Complex , Opp. Sahajanand College, Panjarapole, Ahmedabad-380 015
3	The Stock Exchange , Mumbai	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
4	The Delhi Stock Exchange Association Ltd.	West Plaza, Indra Gandhi Stadium, Indraprastha Estate, New Delhi - 110 002
5	The Calcutta Stock Exchange Association Ltd.	7, Lyons Range, Calcutta - 700 001.

Pursuant to Clause 43(a) of the Listing Agreement with the Stock Exchanges, it is informed that the listing fee for the year 2000-2001 have been paid to all the above Stock Exchange(s).

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF COMPANIES ACT, 1956

Item No. 4

With the enactment of Depository Act, 1996 and SEBI guidelines issued, to be issued time to time for dematerialisation of shares and in view to facilitate smooth operation of Depository System to enable the Member(s) / Investors of the Company to be dematerialised the securities of the Company. A new Article is proposed to incorporate in the Articles of Association of the Company in terms of Special Resolution at item no. 4 pursuant to the provisions of Section 31 of the Companies Act, 1956.

The Directors recommend the special resolution for the approval of the members.

None of Directors of the Company is in any way concerned or interested in this resolution.

A copy of the Memorandum and Articles of Association of the Company showing the proposed alterations is available for inspection at the Registered Office of the Company during office hours on all working days, prior to the date of the Annual General Meeting.

By Order of the Board

Sd/-
[MANAV PODDAR]
DIRECTOR

PLACE : JAIPUR
DATED : July 28th, 2000

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DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the Fifteenth Annual Report of Your Company along with Audited Account for the year ended 31st March, 2000.

FINANCIAL RESULTS :

The financial performance of the Company for the Year ended on 31st March, 2000 is as follows :-

	(Rs. in Lacs)	
	(31.03.2000)	(31.03.1999)
Turnover	1040.08	1556.29
Other Income	137.85	161.96
Total Expenditure	1029.72	1536.86
Interest	24.92	26.46
Profit after Interest but before Depreciation and Tax	123.29	154.93
Depreciation	49.31	63.20
Provision for Taxation	5.00	2.50
Net Profit for the year	68.98	89.23

MARKETING :

The Company is presently exporting safety shoe uppers and complete shoes to Germany, UK and Italy in the EEC countries. Though the sales of the Company has reduced during the year due to decreasing demand of the product in International Market, but the Company has kept its concentration on Quality improvement and specialised sample development for new Overseas Buyers. The Company has developed some new products in house which have been accepted in the market. Your Company got the good quantum of regular orders from a leading Company of Middle East. During the year under review, Company has explored new markets Viz. France, Ireland and Iraq as part of its Market Expansion Programs. The Company is entering into new Countries through active participation in International trade fairs as well as developing samples as per latest technology.

DIRECTORS :

Mr. B.R. Gupta and Mr. H.N. Vohra have resigned as Directors of the Company, Board of Directors placed on record their sincere appreciation of the valuable counsel and guidance provided during their tenure as Directors. Shri Rajesh V. Gupta, Director of the Company retire by rotation in terms of Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

DIVIDEND :

Due to inadequate profit arising out of decrease in International demand of the product during the Year under review and for securing and executing new orders, the Company is in need of sufficient fund hence considering the same no dividend is recommended by the Directors for the Year 1999-2000.

AUDITORS :

The present Statutory Auditors of the Company M/S Madhukar Garg & Co., Chartered Accountants, Jaipur hold office until the conclusion of ensuing Annual General Meeting, being eligible, offer themselves for reappointment.

CLARIFICATIONS ON AUDITORS' REPORT

1. The investment of the Company are the quoted investments, due to recession and the present position of Stock market in India, the market price of the investment have been reduced. The approximate loss in value of investment of Rs. 121.67 Lacs is not provided during the year, which is qualified by the Auditors in Schedule "W" of Note no.14. In the opinion of Directors, the provision of loss shall be made at the time of sale considering temporary recession in the Market hence diminution in the value of Investment has not been provided.

PERSONNEL :

The Human Resource practices of the Company creates a value added work culture by systematic development of human resources competencies through in house training programs to satisfy the external customers and jointly achieve the Organisational goals. The Co-operative, interactive, communicative and continuous learning traits gives the company smooth working and good industrial relations throughout the Year. The industrial relations remained very cordial throughout the year.

COMPUTERISATION

In order to enhance its competitive advantage, the company has already started completed Computerisation of its operations. The existing staff has been trained with latest operational packages. In House softwares have been developed for various areas of operations.

Y2K COMPLIANCE

Plant Control Systems used by the Company and Accounting & Other Management softwares have been made Y2K compliant and the Company has successfully rollover year 2000 problem. The Company don't see any problem in future about this aspect.

CORPORATE GOVERNANCE

The recently introduced Code of Corporate Governance is applicable to your Company from the financial Year 2002-2003. Your Board of Directors wish to inform you that Company is in the process of initiating necessary actions for the Compliance of this code.

PARTICULARS OF EMPLOYEES REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

None of the employees of your Company is covered under Section 217 (2A) of the Companies Act, 1956 read with the companies (Particulars of Employees) Rules, 1975 as amended.

CONSERVATION OF ENERGY :

Your Company is making continuous efforts to reduce energy consumption and to achieve high plant operation efficiency. As a part of it, the Company is continuously using DG Sets to minimising the power cost. Every efforts is being made continuously for reduction of energy consumption through close monitoring and adopting preventive maintenance practices. Continuous emphasis is also being given to create general awareness among the employees for energy saving to the extent possible.

RESEARCH & DEVELOPMENT / TECHNOLOGY ABSORPTION :

The Company has indigenized a lot of components which are being used to manufacture Safety Shoes. Company has managed to create new designs and Models of Shoes which incorporate all safety features and are yet cost effective. It is only with constant R& D efforts that we have managed to break through in Middle East markets despite stiff competition from China, Italy and France. The Company has been making safety shoes in conformance to strict European Standards.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

	Rs. in Lacs
<u>Earning</u>	1008.05
<u>Outgo :</u>	
Raw Material & other items	110.64
Capital Goods	0.98
Others	27.93

ACKNOWLEDGEMENT :

Your Directors wish to place on record their sincere appreciation for the whole hearted co-operation received by the company from the Government & Government Agencies, specially Canara Bank and look forward to their continuous support.

Your Director also thank all its shareholders, suppliers and consultants for the valuable co-operation rendered to the Company, which has enabled it to achieve the progress recorded herein.

Your Directors also wish to place on record their sincere appreciation for the valued contribution, unstinted efforts and spirit of dedication shown by the company employees, officers and the executives at all levels which contributed, in no small measure, to the progress and performance of the Company during the year review.

For and on behalf of the Board of Directors

PLACE : JAIPUR
DATE: July-28,2000

Sd/-
[R.K.PODDAR]
Managing Director

Sd/-
[MANAV PODDAR]
Director