

EIGHTEENTH ANNUAL REPORT

2002-2003



MAYUR LEATHER PRODUCTS LIMITED

**MAYUR LEATHER PRODUCTS LIMITED****EIGHTEENTH ANNUAL REPORT 2002-2003****BOARD OF DIRECTORS**

Shri R. K. Poddar	-	Managing Director
Shri Rajesh V. Gupta	-	Director
Shri D. D. Agarwal	-	Director
Smt. Amita Poddar	-	Director

PRINCIPAL BANKER

Canara Bank
Overseas Branch
Gopinath Marg, Jaipur-302 001

AUDITORS

Madhukar Garg & Co.
Chartered Accountants
2-A, Raj Apartment
Keshav Path
C-Scheme, Jaipur-302 001

REGISTERED OFFICE

G-23, Sangam Tower
Church Road
Jaipur-302 001

WORKS

G-60, to 62 & 67 to 69
Udyog Vihar
Jaitpura Industrial Estate
Jaitpura, Distt. Jaipur (Raj.)
Pincode - 303 704

VENUE**G-23**

**Sangam Tower
Church Road, Jaipur**

Dated : 29th September, 2003 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. No gifts or coupons would be given to the share holders for attending annual general meeting.

CONTENTS**Page No.**

Notice	1
Director's Report	6
Corporate Governance Report	10
Auditor's Report	19
Balance Sheet	23
Profit & Loss A/c	24
Schedules	25
Notes on Accounts	32
Cash Flow Statement	39
Additional Information	40



MAYUR LEATHER PRODUCTS LIMITED

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of **MAYUR LEATHER PRODUCTS LIMITED**, will be held on Monday the 29th September, 2003 at 11.00 A.M. at its Registered Office at G-23, Sangam Tower, Church Road, Jaipur-302001 to transact the following business:-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 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 declare dividend on Equity Shares.
3. To elect a Director in place of Mr. Rajesh V. Gupta, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint the Auditors and fix their remuneration.

SPECIAL BUSINESS :

5. To consider, and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution :

" RESOLVED THAT Mrs. Amita Poddar, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company U/s 260 of the Companies Act, 1956 be and is hereby appointed as a regular Director of the Company, whose period of Office shall be liable to determination by retirement of Directors by rotation."
6. To consider, and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution :

"RESOLVED THAT the Company hereby accords its approval and consent under Section 198, 269, 301, 310 and Schedule XIII and other applicable statutory provisions, if any, of the Companies Act, 1956, in partial modification of resolution passed in the annual general meeting held on 18.09.2001, the payment of remuneration to Shri Rajendra Kumar Poddar as Managing Director of the Company is increased to Rs. 50000/- (Rupees Fifty Thousand only) per month w.e.f. 1st April, 2003 for his remaining tenure with other terms and conditions remaining unchanged.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, Shri Rajendra Kumar Poddar shall be entitled to be paid remuneration by way of salary, perquisites and any other allowances as referred to above, not exceeding the limits specified under Section II of Part of Schedule XIII to the Act as amended from time to time or any statutory enactment(s) thereof.



MAYUR LEATHER PRODUCTS LIMITED

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit."

7. To consider, and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution :

" RESOLVED THAT pursuant to provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof for the time being in force), Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder, Listing Agreements with Stock Exchanges, Securities and Exchange Board of India (De listing of Securities) Guidelines, 2003, and all other applicable laws, rules, regulations and guidelines and subject to such conditions and modifications, as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the board by this Resolution), the consent of the Company, be and is hereby, accorded to the Board for voluntary de-listing of the Equity Shares and/or other Securities of the Company from all or any of the Delhi Stock Exchange Association Ltd., at New Delhi, The Calcutta Stock Exchange Association Ltd., at Kolkata, The Stock Exchange Ahmedabad, at Ahmedabad and The Jaipur Stock Exchange Association Ltd., Jaipur.

RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as "the Board" which terms shall be deemed to include any committee thereof for the time being exercising the powers conferred by the Board) be and is hereby authorised to seek voluntary delisting, to take all the necessary steps in this regards and to do all such acts, deeds, matters and things and to execute all such papers, documents, deeds & writing as may be required and / or desirable for getting voluntary delisting of Equity Shares of the Company from any or all Stock Exchanges of Ahmedabad, Delhi, Kolkata and Jaipur.

RESOLVED FURTHER THAT the Board be and is hereby further authorised to delegate the authority and duty vested in it to the Managing Director or any other director/officer of the Company or any outside professional(s)/ agency (ies), to whom the Board considers suitable for doing various acts, deeds and things required to be done in this regard."

By Order of the Board

Sd/-

[R.K. Poddar]

Managing Director

PLACE : JAIPUR

DATED : 30TH JULY, 2003



MAYUR LEATHER PRODUCTS LIMITED

NOTES (Forming parts 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 Monday 22nd September, 2003 to Monday 29th September, 2003 (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 certificate so enable the Company to consolidate their holdings in one folio.
4. Members requiring information on the accounts are requested to write the Company at least 10 (ten) days before the date of the meeting to enable the Company to furnish the information.
5. Members are requested :
 - a) to bring their copy of the Annual Report alongwith at the meeting.
 - b) to bring the attendance slip sent herewith duly filled in for attending the meeting and the same should be deposited at the entrance of the Meeting hall.
 - c) to bring their depository account number (Client ID), if any for easier identification and recording of attendance at the meeting.
6. The Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business mentioned under Item Nos. 5, 6 & 7 of the notice is annexed hereto.
7. All documents referred to in accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company between 11 A.M. and 1 P.M. on any working day excluding Sundays and Holidays upto the date of Annual General Meeting.
8. The Members holding shares in physical form are requested to notify change in their address, if any, quoting folio number to intimate to the Registrar and Transfer Agents, M/s. Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W) Mumbai. If the shares are held in electronic form, the same has to be notified to your concerned Depository Participant.
9. Members are also requested to furnish their bank account number, name & address of the Bank to enable printing to these particulars on dividend warrants as a measure of abundant caution to minimise the loss due to dividend warrant falling into improper hands through forgery or fraud. As an alternative members residing at specified cities may give their mandates for payment of dividend through Electronic Clearing Services (ECS). A format requiring the relevant informations is being enclosed .



MAYUR LEATHER PRODUCTS LIMITED

10. Equity Shares of the Company are listed for trading in the following Stock Exchange(s):-

S.No.	Name of the Exchanges	Address
1	The Jaipur Stock Exchange Limited	Stock Exchange Building, Malviya Nagar, Jaipur - 302 017
2	The Stock Exchange, Ahmedabad	Kamdheni 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	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 2003-2004 have been paid to all the above Exchange(s).

ANEXURE TO NOTICE

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

Item No. 5

The Board of Directors appointed Smt. Amita Poddar as an additional Director in the Board Meeting held on 18th Dec., 2002. The Company has received a notice under section 257 of the Companies Act, 1956 proposing her appointment as Director, subject to retirement by rotation.

The Board of Directors of your company recommend passing of above Ordinary Resolution. None of the Director except Smt. Amita Poddar and Shri R. K. Poddar are concerned or interested in the resolution.

Item No. 6

Shri R.K. Poddar, Managing Director being senior and experienced employee of the company, was re-appointed as Managing Director w.e.f. 12.09.99 for a period of 5 years in the Annual General Meeting held on 28.09.99. His basic remuneration was increased from Rs. 20000/- P.M. to Rs. 40000/- P.M. in the Annual General Meeting held on 18.09.2001. The Company has achieved an outstanding growth during the last 2 years under his strong guidance. Considering his increased responsibilities, the Board has further decided to refix his basic remuneration to Rs. 50000/- P.M. for his remaining tenure with other terms and conditions remaining unchanged.

Your Directors recommend the resolution for approval of the members.

None of the Directors of the Company except Shri R.K. Poddar and Smt. Amita Poddar are concerned or interested in the resolution.

**MAYUR LEATHER PRODUCTS LIMITED****Item No. 7**

SEBI has recently notified new Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003. Clause 5 of the guidelines permits voluntary delisting of securities from one or more Stock Exchanges having nationwide terminal, no exit opportunity is required to be given to Investors. It is proposed to get the shares / other securities delisted from the Stock Exchanges as set out the resolution. Though approval of the members was obtained for delisting from Delhi and Ahmedabad Stock Exchanges at the Annual General Meeting held on the 18th September, 2001, approval is now again being sought under the new guidelines for delisting from Delhi, Jaipur, Calcutta, Ahmedabad Stock Exchanges. The proposed delisting is sought in view of negligible trading on these stock exchanges and for saving cost. Moreover the Company's shares/ other securities continue to be listed on the Stock Exchange, Mumbai to maintain the liquidity. Exact date with which the above stated delisting will take effect and be suitably notified at appropriate time.

None of the Director of the Company is in any way, concerned or interested in the Resolution.

By Order of the Board

Sd/-

PLACE : Jaipur

[R.K. PODDAR]

DATED : 30th July, 2003

Managing Director

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MAYUR LEATHER PRODUCTS LIMITED

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the Eighteenth Annual Report of Your Company along with Audited Accounts for the year ended 31st March, 2003.

FINANCIAL RESULTS :

The financial performance of the Company for the Year ended on 31st March, 2003 is as follows :-

(Rs. in Lacs)

	<u>(31.03.2003)</u>	<u>(31.03.2002)</u>
Turnover (FOB)	1564.99	1125.52
Other Income	178.78	115.76
Total Expenditure	1497.41	1132.04
Interest	13.49	16.46
Depreciation	28.13	26.26
Profit before Tax	204.74	66.52
Loss on Forfeiture/sale of Investment	2.02	132.88
Provision for Current Taxation	41.80	9.50
Provision for Deferred Taxation	8.63	6.62
Deferred tax liability for earlier Years	0.00	7.48
Add : Provision for taxation written back	2.43	0.58
Profit/(Loss) After Tax	154.72	(89.38)

MARKETING DEVELOPMENTS

During the year your Company has achieve record growth in Turnover. The Company is continuing to Export safety shoe uppers and complete shoes to Germany, Italy, France and UAE. The sincere and committed efforts have helped in establishing Company's product in Middle East Market with full strength.

The Company has started getting regular orders from Dubai, Qatar, Oman, Saudi Arabia, Beharain, Kuwait. This Year the Company has exported finished leather to Iran. The aforesaid results have proved through increase in turnover by Rs. 1125.52 Lacs to Rs. 1564.99 Lacs during this year on FOB basis i.e. Increase in turnover by 39% in comparision to previous year.

Considering the dedicated efforts, we hope to consolidate and increase our turnover during the year 2003-04, Specially since our major buyer has started taking strobbled Uppers instead of just Uppers as was the case earlier the turnover increased within India through regular orders from Bharat Petroleum Corporation Ltd. and Merchant Exporters etc. However in the coming Year we will have to find a solution to the problem of stronger Rupee in comparision to dollar.



MAYUR LEATHER PRODUCTS LIMITED

DIVIDEND

Your Directors have recommended a dividend of 12% (i.e. Rs. 1.20 per equity share on 4834800 Equity Shares of Rs. 10 each) for the financial year ended 31st March, 2003, which if approved at the forthcoming Annual General Meeting, will be paid to (i) All those Equity Shareholders whose names appear in the Registrar of Members as on 29th Sept., 2003 and (ii) to those whose names as beneficial owners are furnished by National Securities Depentory Ltd. and Central Depository Services (India) Ltd.

The dividend payout for the year ended under review has been formulated in accordance with Company's need for capital, its growth plans and the intent to finance such plans through internal accruals to the maximum. Your Directors expect that this would give shareholders a higher return on their Investment.

EQUITY SHARE CAPITAL

During the Year, the Company, has forfeited 4,78,700 Equity Shares of Rs. 10 each partly paid up, from defaulting shareholders after giving sufficient time limit for depositing calls in Arrears and adopting procedure as laid down in the Articles of Association of the Company and Companies Act, 1956.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from public during the Year.

DIRECTORS

- Shri S.K. Poddar, Director has resigned from the office of Director of the Company w.e.f. 31.03.2003. The Board of Directors place on record their sincere appreciation of valuable counsel and guidance provided by him during his tenure as Director.

- The Board of Directors appointed Smt. Amita Poddar as additional Director in the Board Meeting held on 18.12.2002. The Company has received a Notice u/s 257 of Companies Act, 1956 proposing her appointment as Director, subject to retire by rotation. Smt. Poddar is indirectly associated with the Company for last several Years.

- Shri Rajesh V. Gupta, Director retires by rotation in terms of Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS

M/s. Madhukar Garg & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. Accordingly, the said Auditors are proposed to be reappointed as auditors of the Company at the ensuing Annual General Meeting. The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.



MAYUR LEATHER PRODUCTS LIMITED

HUMAN RESOURCES DEVELOPMENT

Development of Human resources has always been amongst the top priorities of your Company. The Company has continued to follow the policy of performance linked incentives, performance based fast track promotions and continuous skill upgradation of the employees. This has gone a long way in enhancing job satisfaction and commitment levels amongst employees. During the Year the Company has setup a trust for Gratuity payment duly insured with LIC of India as a retirement benefit to the employees. Further liability towards Leave Encashment upto the year end has also transferred to LIC for coverage as well as immediate settlement.

DELISTING OF EQUITY SHARES

Your Directors recommend Delisting of Equity shares of the Company from Kolkata, Ahmedabad, New Delhi and Jaipur Stock Exchanges considering negligible trading and increased cost of keeping the shares listed in these Exchanges. Further the Listing with Mumbai Stock Exchange will continue to maintain the liquidity of the investment.

DIRECTOR'S RESPONSIBILITY STATEMENT :

As required under Section 217 (2AA) of the Companies Act, 1956, Your Directors hereby confirm that:-

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation to material departure, if any.
- (ii) They have selected such accounting policies and applied them consistently and made judgement 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 and of the profit or loss of the Company for that period.
- (iii) To the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- (iv) They have prepared the annual accounts on a going concern basis.

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

There are no employees with the Company whose particulars are required to be disclosed under Section 217(2A) of the Companies Act, 1956 read with the rules framed thereunder.

CORPORATE GOVERNANCE

Your Company has successfully implemented the Corporate Governance Practices during the year. A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, form part of the Annual report.