

TWENTY SIXTH (26TH) ANNUAL REPORT 2010 - 2011



AN ISO 9001 : 2000 COMPANY



MAYUR LEATHER PRODUCTS LIMITED

BOARD OF DIRECTORS

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

Managing Director
Director
Director
Director

CHIEF FINANCIAL OFFICER

Shri Rajendra Tripathi

COMPLIANCE OFFICER

Shri Nitesh Kumar Kumawat

PRINCIPAL BANKER

Canara Bank
Overseas Branch, 8, Bhagat Bhawan
M. I. Road, Jaipur - 302 001

AUDITORS

Madhukar Garg & Co.
Chartered Accountants
K-2-B, IInd Floor, Raj Apartment
Keshav Path, C-Scheme, Jaipur - 302 001

REGISTERED OFFICE & WORKS

G-60-62 & 67-69, Jaitpura Industrial Estate,
Jaitpura 303 704, Jaipur
Rajasthan INDIA
Tel. : 91-1423-224303, 512303, 224353
Fax : 91-1423-224308
E-mail : mlp@mayurleather.com

CORRESPONDENCE OFFICE

B-5, Vrindavan Apartments,
Vrindavan Vihar, King's Road,
Jaipur 302 019, Rajasthan
Ph: 91-99289 11947
Fax: 91-141-2810385

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.
A-40, 2nd 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

INTERNAL AUDITORS :

Verma Prashant & Associates
C-225, Gyan Marg,
Tilak Nagar, Jaipur - 302 004

CORPORATE ADVISOR :

V.M. & Associates,
Company Secretaries,
403, Royal World,
S.C. Road, Jaipur - 302 001

VENUE :

G-60-62 & 67-69, Jaitpura Industrial Estate,
Jaitpura- 303704, Jaipur (RAJ.)
Dated: Wednesday, 28th Sept., 2011 at 3:30 P.M.

As a measure of economy, copies of the Annual report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the meeting. No gifts or coupons will be given to the shareholders for attending the Annual General Meeting.

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BOOK POST

To,



MAYUR LEATHER PRODUCTS LIMITED

If undelivered please return to :

MAYUR LEATHER PRODUCTS LIMITED

G-60-62 & 67-69, Jaipura Industrial Estate, Jaipura- 303704, Jaipur 91-1423-224303, 512303, 224353



MAYUR LEATHER PRODUCTS LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of **MAYUR LEATHER PRODUCTS LIMITED** will be held on Wednesday, the 28th day of September, 2011 at 03:30 P.M. at its Registered Office at G-60-62 & 67-69, Jaitpura Industrial Estate, Jaitpura- 303704, Jaipur, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date together with the reports of the Auditors and the Directors thereon.
2. To confirm the payment of interim dividend and declare final Dividend on Equity Shares of the Company for the year 2010-11.
3. To appoint a Director in place of Shri K.D. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Madhukar Garg & Co., Chartered Accountants be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modifications the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT M/s V. M. & Associates, Company Secretaries, Jaipur be and is hereby appointed for the issuance of Compliance Certificate under section 383A of the Companies Act, 1956 and to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company in consultation with the said firm.”

By Order of the Board

Sd/-
(R.K. PODDAR)
Managing Director

PLACE : JAIPUR
DATE : 31st August, 2011



MAYUR LEATHER PRODUCTS LIMITED

NOTES (Forming part of the Notice)

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (the "Meeting") 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 THE 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 share transfer books of the Company will remain closed from 26th September, 2011, to 28th September, 2011 (both days inclusive).
3. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
4. In Terms of Article 89 of the Article of Association of the Company, read with Section 256 of the Companies Act, 1956, Shri K.D. Agarwal, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board of Directors commends his re-appointment.
5. The dividend as recommended by the Board, if sanctioned at the meeting, will be paid to those members whose names appear on the Company's Register of Members on 28th September, 2011. In respect of the shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.
6. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial years ended 31st March 2004, 31st March 2005, 31st March 2006, 31st March 2007, 31st March 2008, 31st March, 2009 & 31st March, 2010 which remains unclaimed for a period of 7 years from the date of transfer of the same will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956, in the years 2011-2012, 2012-2013, 2013-14, 2014-15, 2015-16, 2016-17 & 2017-18 respectively.

Shareholders who have not so far en-cashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company immediately. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.
7. 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 as to enable the Company to consolidate their holdings in one folio.
8. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 7 days in advance, so as to enable the Company to keep the information ready.
9. Members are requested to bring the following with them at the Annual General Meeting:
 - a) Copy of the Annual Report,
 - b) Duly filled Attendance Slip for attending the meeting and the same should be deposited at the entrance of the Meeting Hall.
 - c) Depository account number (Client ID), if any, for easier identification and recording of attendance at the meeting.
10. All documents referred to in accompanying Notice are open for inspection at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day excluding Sundays and holidays up to the date of Annual General Meeting.



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11. The Members holding shares in physical form are requested to notify change in their address, if any, quoting their folio number to intimate to the Registrar and Transfer Agents – M/s. Link India Intime Pvt. Limited., A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi – 110 028. If the shares are held in electronic form, the same has to be notified to your concerned Depository Participant.
12. Members are also requested to furnish their bank account number, name & address of the bank to enable printing of these particulars on dividend warrants as a measure of abundant caution to minimize 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 information is being enclosed.
13. The details pertaining to director seeking re-appointment, as required to be provided pursuant to clause 49 of the Listing Agreement are furnished in the Corporate Governance Report published elsewhere in this report.
14. As per Circular No. MRD/Dop/Cir-5/2009 dated May 20, 2009 issued by Securities and Exchange Board of India (SEBI), it is mandatory to quote PAN for transfers of shares in physical form. Therefore, the transferee(s) are required to furnish a copy of their PAN to the Registrar and Share Transfer Agents of the Company.

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

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5:

As per the requirements of section 383A of the Companies Act, 1956 and (Companies Compliance) Certificate Rules, 2001 the Company has to obtain a certificate from Company Secretary in practice certifying that legal and procedural requirement under the Companies Act, 1956 have been duly complied with by the Company. For which appointment of M/s V. M. & Associates, Company Secretaries, Jaipur for conducting and issuing Compliance Certificate u/s 383A of Companies Act, 1956 is sought.

None of the directors are interested in the said resolution.

Your directors recommend the resolution for your approval.

By Order of the Board

Sd/-
(R.K. PODDAR)
Managing Director

PLACE : JAIPUR
DATE : 31st August, 2011



MAYUR LEATHER PRODUCTS LIMITED

ANNEXURE TO THE AGM NOTICE

Details of Director seeking re - appointment at the 26th Annual General Meeting as per Clause 49 of the Listing Agreement

Shri K.D. Agarwal is retiring by rotation at the date of ensuing Annual General Meeting and being eligible offers himself for re-appointment. He is qualified as LL.B, B.Com

Presently, he is also Chairman of Audit Committee of the Board of Directors.

Details of Shri K.D. Agarwal, Director of the Company are as follows:

Name of the Director	Shri K.D. Agarwal
Date of Birth	03.08.1943
Date of Appointment	03.05.2006
Qualification(s)	B.com, LL.B.
Name of the Companies in which directorship held as on 31.03.2011	Mayur Abodes Pvt Ltd
Member of the Committee of Board of other companies	Nil
No. of Shares held in the Company	107500



MAYUR LEATHER PRODUCTS LIMITED

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the Twenty Sixth Annual Report of your Company along with Audited Annual Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The financial performance of the Company for the year ended on 31st March, 2011 is as follows:

	Rs. in Lacs	
	31.03.2011	31.03.2010
Turnover (FOB)	1820.08	1445.25
Other Income	273.61	181.63
Less: Total Expenditure	2005.11	1479.28
Interest	24.72	28.04
Depreciation	55.16	49.96
Profit before Tax & extra-ordinary items	8.70	69.60
Add/Less: Extra Ordinary Items	-	0.40
Profit before Tax	8.70	70.00
Less: Provision for Current Tax	1.00	18.75
Provision for FBT	-	-
Provision for Deferred Tax	1.14	-
Add: old Provision for tax written back	2.11	-
Deferred tax written back	-	15.09
Less: Income tax for earlier years	-	5.77
Net Profit/ (Loss) after Tax for the year	8.67	60.57
Profit/ (Loss) brought forward	792.35	798.34
Profit available for appropriation	801.02	858.91
<u>Appropriations:</u>		
Proposed dividend on equity shares	36.26	48.35
Tax on proposed dividend	6.03	8.22
Transfer to general reserve	1.00	10.00
Balance carried forward	757.73	792.35

OPERATIONS

During the last two years the global recession was at its peak which seriously affected certain sectors, exports not being an exception. Mayur Leather Products Limited being a predominantly export oriented unit has also suffered serious negative consequences of the recession in Europe over the last two years which in turn has severely effected our export turn over. During the year 2008 – 09, it declined by 30% and during the year 2009 – 10 it further declined by 12%. But in current year we have achieved the increment of 26% in turnover. Incipit of this increment our profit margin comes down because of inflation effect on price of raw material.



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The table below shows the declining turnover of the Company due to global recession:

Financial year	Export Turnover
2008 - 09	Rs. 1644.62 Lacs
2009 - 10	Rs. 1445.25 Lacs
2010 - 11	Rs. 1820.08 Lacs

In order to increase our market share to offset the decline in export, the Company has taken various steps, major of them are follows:

a.	In collaboration with M/s UVEX our German buyers: Over 50 Styles are being worked on, which would ensure that we increase our market share to offset the Global recession.
b.	We undertook project implementation to start Vulka Shoe production for Company Heckel Securite, France This would help to further supplement the reduction in exports to Europe over the last 2 years.
c.	We are undertaking various activities to develop local Indian market: Our presence in the local market was negligible in the year 2006 - 07. We have started activities during the year 2007-08 & by 2008-09 our local marketing was approx. 29429 Pairs and in year 2009-10 it was 49737 pairs. This year we have increased this to 50103 Pairs valued at approx. Rs. 2.40 Crores which is 70.25% increase as compare to 2008-09 and .73% increase as compare to previous year and we expect this to increase during the next year to approx. 60000 Pairs, approx. value Rs. 3.00 Crores another 20% increase.

With reference to the above steps taken by the Company, the Company is confident of recovering the lost ground due to the world wide recession.

However, there is one uncertainty in export business and that is the status of the EURO. At the moment, it is very volatile and has decreased as compared with US Dollar from 1.45 to 1.20. Exchange rate is difficult to predict, but it is a global phenomena and both the exporters and the importers in Europe will have to find a solution to it.

We have also gone in for diversification. The idea is to expand business areas and for the purpose of the same the Company entered into business related to hotels, restaurants by altering the Object Clause of Memorandum of Association of the Company.

Our first foray into hospitality has been setting up of two restaurants and a Banquet hall in the Centre of the City. Although this would have initially resulted a capital expenditure and additional revenue expenditure. In the long run, we intend to also diversify into this line in a big way.

There has been very good response from the general public towards our restaurant 'STREETS' and our Banquet hall at the same premises. Our second restaurant 'SPICES N SAUCES' is just about ready to take off.



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RESERVES

For the period under review the Board proposes to transfer Rs.1.00 lacs to General Reserve Account of the Company.

DIVIDEND

The Board of Directors is pleased to recommend a Final dividend of Rs.0.25 per equity share of Rs. 10/- each, for the year 2010-11, subject to approval of Shareholders in the Annual General Meeting. Together with the interim Dividend of Rs.0.50 per Equity share paid on 12/03/2011. The total outgo on account of dividend payment, including dividend tax, is Rs. 42.29 Lacs.

FIXED DEPOSITS

The Company has not accepted or renewed any fixed deposits from public during the year.

DIRECTORS

Shri K.D. Agarwal, Director, retires by rotation in terms of provisions of Companies Act, 1956 and 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 holds office until the conclusion of the forthcoming Annual General Meeting and is 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 re-appointed as auditors of the Company for the financial year 2011-2012 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.

HUMAN RESOURCE DEVELOPMENT

The Company recognizes that its employees are its principal assets and that its continued growth is dependent upon the ability to attract and retain quality people. The Company also recognizes the importance of providing training and development opportunities to its people to enhance their skills and experiences, which in turn enables the company to achieve its business objectives. The morale of employees continued to remain high during the year contributing positively to the progress of the Company.

DELISTING OF EQUITY SHARES

The members have passed a special resolution in the Annual General Meeting held on 10.07.2004 permitting the Company to delist its shares from the stock exchanges of Delhi, Kolkata, Ahmedabad and Jaipur. As on date, out of the four exchanges, the equity shares of the Company have been delisted from the Delhi, Ahmedabad and Jaipur Stock Exchanges. Delisting application of the Company is still pending with the Calcutta Stock Exchange Association Ltd., Kolkata since December 2004. In spite of several reminders, the Company did not get any response from the exchange in the matter of the delisting status.