

FOURTEENTH ANNUAL REPORT 1998 - 99

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MAYUR LEATHER PRODUCTS LIMITED

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BOARD OF DIRECTORS

MR. S. K. PODDAR	CHAIRMAN
MR. R. K. PODDAR	MANAGING DIRECTOR
MR. MANAV PODDAR	DIRECTOR
MR. RAJESH V. GUPTA	DIRECTOR
MR. H. N. VOHRA	DIRECTOR
MR. B. R. GUPTA	DIRECTOR

BANKERS : **CANARA BANK**
Overseas Branch, Gopinath
Marg,
M. I. Road, Jaipur

AUDITORS : **MADHUKAR GARG & CO.**
Chartered Accountants
3, Gangwal Park, 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.)

NOTICE

NOTICE is hereby given that the Fourteenth 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 Tuesday the 28th September, 1999 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, 1999 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. B. R. Gupta, who retires by rotation and being eligible, offers himself for reappointment.
3. To elect a Director in place of Mr. H. N. Vohra , who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint the Auditors and fix their remuneration.

SPECIAL BUSINESS :

5. Re-appointment of Managing Director

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

"RESOLVED THAT the Company hereby accord it approval and concerned under Section 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any , of the Companies Act, 1956 and all other applicable statutory provision ,if any , to the re-appointment and payment of remuneration ,benefits and amenities as given in the explanatory statement to Shri Rajendra Kumar Poddar as Managing Director of the Company for a period of 5 years with effect from 12th September,1999 subject to the condition that the same will be within schedule XIII to the Act. .

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 allowance as referred to above, not exceeding the limits specified under Section II of Part II of Schedule XIII to the Act as may be amended from time to time or any equivalent statutory enactment(s) thereof .

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary , usual or expedient to give effect to this resolution". .

6. Appointment of Whole Time Director :

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

“RESOLVED THAT Mr. Manav Poddar, who was appointed as an Additional Director of the Company by the Board of Director and who holds office upto the date of this Annual General Meeting of the Company U/s 260 of the Company Act, 1956 be and is hereby appointed as a Whole time Director and designated as Director (Technical) of the Company, whose period of office shall not be liable to determination by retirement of Directors by Rotation.

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 allowance as referred to above, not exceeding the limits specified under Section II of Part II of Schedule XIII to the Act as may be amended from time to time or any equivalent statutory enactment(s) thereof .

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary , usual or expedient to give effect to this resolution”

By Order of the Board

Sd/-
[S. K. PODDAR]
CHAIRMAN

PLACE : JAIPUR

DATED : September 1st , 1999

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 Friday 3rd September, 1999 to Friday 10th September, 1999 (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. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business to be transacted at the meeting 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 1999-2000 has been paid to Jaipur, Mumbai and Calcutta Stock Exchanges.

ANNEXURE TO NOTICE

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

Item No. 5 :

The members at the Annual General Meeting held on 12th September, 1994 had appointed Shri Rajendra Kumar Poddar, as managing Director for a period of 5 years. Subsequently the Board of Directors' at its meeting held on 26th July, 1999 has recommended to the share holders to the Re-appointment of Shri Rajendra Kumar Poddar for a further period of 5 years with effect from 12th September, 1999.

Mr. R. K. Poddar, aged 44 years, is a Commerce Graduate from University of Calcutta. He is one of the promoters in setting up manufacturing units viz., Mayur Leather Products Limited, Mayur Uniquoters Limited and Mayur Industries Limited at Jaipur and independently handled purchases, finance & day to day operations of the above companies. The job included extensive travelling in India and abroad as well as dealing with various organisations, financial institutions, etc. He is responsible for formulating overall financial policy and management of the company. The main terms of the re-appointment of Shri R. K. Poddar, Managing Director are stated in the resolution.

1. Remuneration

- | | |
|----|-----------------------------------|
| a) | Salary 20000/- per month |
| b) | Bonus As per rules of the Company |
| c) | Perquisites |

• Medical Reimbursement :

Reimbursement of Medical expenses incurred for self and family subject to a ceiling of Rs. 15,000/- p.a.

- Leave Travel Concession
Leave Travel Concession for self and family, once in a year incurred in accordance with the rules of the Company, not exceeding 25,000/- p.a.
- Club Fees
Fees of Clubs subject to a maximum of Two Clubs. No admission and life membership the will be paid.

2. Provident Fund

Company's contribution towards Provident Fund as per Rules of the Companies but not exceeding 12% of the salary.

3. Gratuity

Gratuity as per Rules of the Company , but shall not exceeded one half month's salary for each completed year of service.

4. Earned Leave

Earned Leave on full pay and allowances as per the rules of the Company, but not exceeding one month' leave for every eleven months' of service and leave accumulated shall be encashable at the end of the tenure.

5. Car and Telephone facility

Provision of Car for use on Company's business, and Telephone at residence will not be considered perquisites . Personal long distance calls and use of Car for private purpose shall be billed by the Company to the Managing Director.

6. Reimbursement of Entertainment, Travelling and all others expenses incurred for the business of the Company .

The aggregate of the salary and all perquisites as enumerated above , shall at no time exceed the limits as may be prescribed from time to time under the provisions of the Companies Act 1956, Schedules thereto and rules thereunder, as well as any other statutory provisions as may be applicable.

The Managing Director shall not be eligible for any sitting fees for the Company's Board or Committee Meetings.

None of the Directors other than Mr. Rajendra Kumar Poddar is concerned or interested in the resolutions .

Your Directors recommend the resolution for your approval.

Item No. 6 :

Mr. Manav Poddar who was appointed as additional director of the company in terms of Section 260 of Companies Act, 1956 and Article No. 78 of Articles of Association of Company on November 16th, 1998 vacates his office at this Annual General Meeting. A due notice pursuant to Section 257 of Companies Act, 1956 has been received along with Rs. 500/- by company from a member of company proposing his candidature as Director Technical of the Company be and is hereby appointed as Director of the Company, not liable to retire by rotation.

To provide for increased executive participation at the Board level and looking after day to day production operations, your directors have at their meeting held on 16th November, 1998 appointed Mr. Manav Poddar as Whole time Director designated as Director (Technical) of your company with effect from 16th November, 1998.

Mr. Manav Poddar is a Commerce Graduate from Calcutta and qualified as Shoe Technologist from FDDI, Noida. In view of his relevant experience, the appointment of Mr. Manav Poddar as Director (Technical) would be in best interest of your company. Members' approval is sought for his appointment for a period of two years w.e.f November 16th, 1998.

1. Remuneration

- a) Salary 15000/- per month w.e.f. 1.4.1999
- b) Bonus As per rules of the Company
- c) **Perquisites**
 - **Medical Reimbursement :**
Reimbursement of Medical expenses incurred for self and family subject to a ceiling of Rs. 15,000/- p.a.
 - **Leave Travel Concession**
Leave Travel Concession for self and family, once in a year incurred in accordance with the rules of the Company, not exceeding 25,000/- p.a.
 - **Club Fees**
Fees of Clubs subject to a maximum of Two Clubs. No admission and membership the will be paid.

2. Provident Fund

Company's contribution towards Provident Fund as per Rules of the Companies but not exceeding 12% of the salary.

3. Gratuity

Gratuity as per Rules of the Company, but shall not exceed one half month's salary for each completed year of service.

4. Earned Leave

Earned Leave on full pay and allowances as per the rules of the Company, but not exceeding one month's leave for every eleven months' of service and leave accumulated shall be encashable at the end of the tenure.

5. Car and Telephone facility

Provision of Car for use on Company's business, and Telephone at residence will not be considered perquisites. Personal long distance calls and use of Car for private purpose shall be billed by the Company to the Whole Time Director.

6. Reimbursement of Entertainment, Travelling and all others expenses incurred for the business of the Company.

The aggregate of the salary and all perquisites as enumerated above, shall at no time exceed the limits as may be prescribed from time to time under the provisions of the Companies Act 1956, Schedules thereto and rules thereunder, as well as any other statutory provisions as may be applicable.

The Director (Technical) shall not be eligible for any sitting fees for the Company's Board or Committee Meetings.

None of the Directors other than Mr. Manav Poddar is concerned or interested in the resolutions.

Your Directors recommend the resolution for your approval.

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the Fourteenth Annual Report of Your Company along with Audited Account for the year ended 31st March, 1999.

FINANCIAL RESULTS :

The financial performance of the Company for the period ended on 31st March, 1999 is as follows :-

	(Rs. in Lacs)	
	(31.03.98)	(31.03.99)
Turnover	957.79	1556.29
Other Income	95.10	161.96
Total Expenditure	992.78	1536.86
Interest	36.03	26.46
Profit after Interest but before Depreciation and Tax	24.08	154.93
Depreciation	23.02	63.20
Provision for Taxation	0.15	2.50
Net Profit for the year	0.91	89.23

MARKETING :

The Company is presently exporting its entire production of safety shoe uppers and complete shoes to Germany, UK and Italy in the EEC countries. The Products of the Company have become very well accepted in International Market. The Company is entering into new Countries through actively participating in International trade fairs as well as developing samples as per latest technology.

DIRECTORS :

Mr. B.R. Gupta and Mr. H.N. Vohra, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Mr. Rajendra Kumar Poddar is re-appointed as Managing Director for a further period of 5 Years w.e.f. 12th September 1999 and Mr. Manav Poddar is appointed as Whole time Director for a period of 2 Years w.e.f. 16th Nov. 1998

DIVIDEND :

In order to continue to maintain a steady increase in the annual turnover and corresponding profits, the company needs a steady increase in funds for securing and executing new orders each year, in a situation of increasing competition and of operation costs and for securing and maintaining technologically advanced equipments of various kinds. Yours Director does not recommend any dividend for the Year 1998-99

AUDITORS:

The present Statutory Auditors of the Company M/S Madhukar Garg & Co., Chartered Accountant, Jaipur hold office until the conclusion of this 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. 116.87 Lacs is not provided during the year, which is qualified by the Auditors in Schedule "F" 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 and hence not provided for diminution in the value of Investment..
2. Attention of the members is invited to Note No. 1 para "J" "which is qualified by the Auditors' Regarding Deferred revenue expenditure. The Directors are of the view that since such expenses were incurred for new market development of shoes and now the production and market has sufficiently developed hence it is logical to write off the remaining expenditure in this Year.

PERSONNEL :

Your Company considers Human Resources as the most important asset and accords high priority to systematic development of human resources. Your Company has devised various training programmes for sharpening and developing human skills with the prime objectives of achieving corporate goals and simultaneously providing job satisfaction and growth opportunities to the employees. Specialised In-house training programmes with the assistance of outside experts were arranged for improving performance, appraisal system and supervisory qualities, etc. The industrial relations remained very cordial throughout the year.

COMPUTERISATION

In order to enhance its competitive advantage, the company has already started complete Computerising of its operations and is in the process of implementing ERP software developed by FDDI. The existing staff has been trained to acquaint with latest operational packages. In House softwares are being developed for various areas of operations in the first phase.

Y2K COMPLIANCE

The company has taken up appropriate steps to ensure the Y2K compliance and the same is expected to be completed by end of October 1999. The company does not foresee any major problems on account of Y2K problem. The work relating to the achievement of the compliance will not have much financial impact.

ISO 9002

During the year under review, To achieve global quality standards, the Company made substantial progress for obtaining ISO 9002 Certification. This work is continuing. . Training courses and seminars for educating the employees for fulfilling the requirement of ISO 9002 Certification have been completed. Once this certificate is received, the Company will be one of the very few Indian footwear Companies to achieve this distinction.