

# SEVENTEENTH ANNUAL REPORT

2001-2002



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AN ISO 9001 COMPANY

## MAYUR LEATHER PRODUCTS LIMITED



## SEVENTEENTH ANNUAL REPORT 2001-2002

### **BOARD OF DIRECTORS**

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

### **PRINCIPAL BANKER**

Canara Bank  
Overseas Branch  
Gopinath Marg, Jaipur-302 001

#### **VENUE**

G-23  
Sangam Tower  
Church Road, Jaipur

**Dated : 17th September, 2002 at 11.00 A.M.**

### **AUDITORS**

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

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.

### **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

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## NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of **M/s. MAYUR LEATHER PRODUCTS LIMITED**, will be held at its Registered Office at G-23, Sangam Tower, Church Road, Jaipur - 302 001 on Tuesday the 17th September, 2002 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, 2002 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. Dharm Deo Agrawal 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 deem fit, to pass, with or without modification(s) the following resolution as a Special Resolution :

**"RESOLVED THAT** pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered in the manner as stated below :

- (i) Under Article 2, the new definition of Register and Member, as produced below shall be inserted alongwith Marginal notes :

Register

Register means the Register of Members to be kept by the Company pursuant to Sec. 150 of the Act and shall include the register and Index of Beneficial Owners of Shares of the Company to be maintained by Depository (ies)

Member

Member means the duly registered holder from time to time of the shares of the Company of any class, and includes every person whose name is entered as a beneficial owner in the records of Depository(ies), but does not include the bearer of Share warrant of the Company issued in pursuance of Sec. 114 of the Act.

- (ii) The following Articles alongwith marginal notes shall be inserted as Article 4 A of the Articles of Association after the existing Articles 4 :

Kind of Capital

4A.

The Share Capital of the Company shall be of two kinds, namely :

(a) Equity Share Capital :

(i) With the Voting Rights

(ii) With differential rights as to dividend, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed from time to time by the Act.

(b) Preference Share Capital.



- (iii) The following Articles alongwith marginal notes shall be inserted as Article 4 B of the Articles of Association after the existing Articles 4 :

Buy Back of Securities	4B.	Subject to the applicable provisions of the Companies Act, 1956 and/or any other Act/Statute/Rules and in accordance with the Guidelines prescribed by SEBI and / or any other regulatory authority(ies) from time to time in this regard, the Company may buyback its Shares and / or other Securities issued by it.
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- (iv) The following Article alongwith marginal notes shall be inserted as Article 66A of the Articles of Association after the existing Article 66 :

Postal Ballot	66A. The Company may and in the case of resolutions relating to such business as the Central Government may, by notification declare to be conducted only by postal ballot, shall, get any resolution passed by means of a postal ballot, instead of transacting that business in General Meeting of the Company. Where the Company requires to or decides to, as the case may be, to get a resolution passed by means of a postal ballot, the provision of section 192A of the Act or such other rules, regulations and modifications framed thereunder from time to time shall be complied with.
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5. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special resolution :

**"RESOLVED THAT** pursuant to respective provisions of the Companies Act, 1956, SEBI Act 1992 and other Statutes, rules, regulations and guidelines, if any, {including any Statutory modification(s) and / or reenactment(s) thereof for the time being in force and as may be enacted here in after}, consent of the Company be and is hereby accorded for authorizing the Board of Directors of the Company to get delist the Equity Shares of the Company from The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Limited subject to such approvals, permissions and / or sanctions as may be necessary.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (here in after referred to as the "Board" which term shall be deemed to include any Committee of the Board for the time being exercising the powers conferred by the Board) be and is hereby authorised to do all such acts, deeds, things and to execute all such papers, documents, deeds & writings as may be required and / or desirable for getting voluntary delisted the Equity Shares of the Company from The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Limited.

**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 officer of the Company or any outside Professional(s) / agency(ies), to which the Board may consider suitable for doing the 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 : July 24th, 2002

**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 SCHEDULED 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 9th September, 2002 to Monday 16th September, 2002 (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 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 notify immediately any change in their address quoting their folio nos.
  - b) to bring their copy of the Annual Report 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.
  - d) 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. 4 & 5 of the notice are 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. 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	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 2002-2003 have been paid to all the above Exchange(s) except Ahmedabad Stock Exchange.

## **ANNEXURE TO NOTICE**

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

#### **Item No. 4 :**

In past certain amendments / Changes have been taken place in the Companies Act, 1956, SEBI Guidelines and the Depository Act, 1996 etc. The Consequential changes are required to be made / incorporated in the Articles of Association of the Company by inserting suitably new Article and deletion of redundant Articles in order to bring the same in line with the current provisions of the companies Act, 1956 and other relevant Acts/Statutes and / or Guidelines.

Yours Directors recommend the resolution for your approval.

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

#### **Item No. 5 :**

Presently, the Equity Shares of the Company are listed at Stock Exchanges at Delhi, Mumbai, Kolkata, Jaipur & Ahmedabad.

In the past the volume of trading of Equity Shares of the Company on The Delhi Stock Exchange Association Limited and The Stock Exchange, Ahmedabad has reduced significantly which doesn't justify the payment of considerable amount towards Listing Fee by the Company to these Stock Exchanges.

Pursuant to Listing Agreement and / or Listing Guidelines, SEBI Guidelines and other Statutes applicable, if there any, approval of Members of the Company is being sought by way of Special Resolution for enabling the Company to get it's Equity Shares voluntarily delisted from The Delhi Stock Exchange Assn. Limited and The Stock Exchange, Ahmedabad. However the Company will continue to be listed with Jaipur (regional), Mumbai and Kolkata Stock Exchanges.

Exact date with which the above stated delisting will take effect will be suitably notified at appropriate time. The Company is also giving separately Special Notice of the proposed enabling resolution for delisting in the News Papers as prescribed in this regard.

Your Directors recommend the resolution for your approval

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

By Order of the Board

Sd/-  
**R. K. PODDAR**  
Managing Director

Place : Jaipur  
Dated : July 24th, 2002





## DIRECTORS' REPORT

**To  
The Members**

Your Directors have pleasure in presenting the Seventeenth Annual Report of Your Company along with Audited Accounts for the year ended 31st March, 2002

### FINANCIAL PERFORMANCE :

The financial performance of the Company for the Year ended on 31st March, 2002 is as follows :-

	(Rs. in Lacs.) (31.03.2002)	(31.03.2001)
Turnover	1125.52	820.56
Other Income	115.76	107.41
Total Expenditure	1132.04	873.85
Interest	16.46	26.47
Profit after Interest but before Depreciation and Tax	92.78	27.65
Depreciation	26.26	25.12
Provision for Taxation	9.50	1.00
Net Profit for the Year	57.02	1.53

### OPERATIONAL PERFORMANCE

The Turnover of the Company increased by 37% in comparison to previous year. Further due to operation efficiency and reduction in administrative cost the Net profit figures after taxation improved from Rs. 1.53 Lacs to Rs. 57.02 Lacs during the year.

The Company has achieved high level plant operation efficiency that boost up the production figures. The production figures of Shoes & Uppers have increased to 266048 pairs during the current year in comparison to 207274 pairs of last year.

### MARKETING DEVELOPMENTS

The Company is Continuing to Export safety shoe uppers and complete shoes to Germany, Italy, France, UAE. Our sincere efforts to the UAE have paid dividends and we have started getting regular orders from Dubai, Qatar, Iran, Saudi Arabia and Bahrain. This year We also exported finished leather to Iraq. These results are reflected in the increase in turnover from Rs. 820.56 Lacs in last year to Rs. 1125.52 Lacs during this year on FOB basis i.e. Increase in Turnover by 37%.

Considering our continuous efforts, We hope to further increase our turnover during the year 2002-03. Specially since our major buyer has started taking strobbed Uppers instead of just Uppers as was the case earlier. The company also got success in increasing Turnover Within India through regular orders from Bharat Petroleum Corporation Ltd. and Merchant Exporters etc.



### **DIRECTORS**

Mr. Dharm Deo Agrawal, Director retires by rotation in terms of Articles of Association of the Company at the ensuring Annual General Meeting and being eligible, offers himself for reappointment. The proposals regarding his re-appointment as Director is placed for your approval

### **DIVIDEND**

The Board of Director of your Company are of the view that financial resources of the Company be conserved and judiciously utilized for further growth of your Company. The Board therefore decided not to recommend any dividend for the Year 2001-2002.

### **AUDITORS**

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

### **PERSONNEL**

Human Resource Deptt. of the Company is oriented towards creating a learning organisation and healthy work place for overall organisation development. Customer satisfaction is our main goal and Human Resource Deptt. revolves around acquiring competent person and their services, skill development and motivating them for higher level of performance to ensure their continuous commitment for achieving the Organisational goal through adopting the best Human Resource practices. The employee's relation and IR is congenial giving a sense of belongings and team work.

### **COMPUTERISATION**

The Company has developed full computerised automation during the year for its operation. The Company has successfully implemented in House software packages for its various areas of operations.

### **ISO 9001 CERTIFICATION**

Your Directors are pleased to inform that during the Year under review, the company has achieved an International recognition of ISO 9001:2000 awarded by JAS-ANZ, New Zealand. Now the Company has become one out of very few companies who are having this type of recognition. To keep the standards updated, a separate Internal audit Deptt. has been set up which is responsible to keep continuous watch and implement changes, if any.

### **CORPORATE GOVERNANCE CODE**

Policies of the Board of Director of your Company and steps taken by it for good governance of the Company conform to the procedural formalities of corporate governance prescribed by the Securities and Exchange Board of India. Most of the conditions of Corporate Governance as required under Clause 49 of the Listing Agreements with Stock Exchanges have been complied with and the Board is firm to implement all the conditions of Clause 49 of the Listing Agreements latest by March 31st, 2003, the date of implementation prescribed under Clause 49 and applicable to the Company.





### **DEMATERIALIZATION OF SHARES**

The shares of your Company are kept in compulsory Dematerialisation category and thereby company has taken connectivity both with CDSL and NSDL w.e.f 04.01.2002. The Shareholders having the shares in physical forms are advised to get it converted immediately in Dematerialised form to make it tradeable.

### **DIRECTORS' 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 along with proper explanation to material departure, if any,
- (ii) They have selected such accounting policies and applied them consistently and make 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 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.

### **ALTERATION IN ARTICLES OF ASSOCIATION**

In past certain amendments/ changes have been taken place in various Corporate Laws applicable to the Company i.e. the Companies Act, 1956, SEBI Guidelines, Depository Act, 1996 etc. The Consequential changes are required to be made / incorporated in the Articles of Association of the Company by inserting suitably new Article(s) and deletion of redundant Article(s) in order to bring the same in line with the current statutory provisions. Hence the amendments have been put for your approval.

### **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**

The Company's thrust on energy conservation measures continues, and utilisation of energy continues to be optimised at Plant through continuous monitoring of process. The Company continuous to take advise from Experts on energy conservation. These efforts have started showing results with gradual improvement in overall plant working.

### **RESEARCH & DEVELOPMENT / TECHNOLOGY ABSORPTION**

The Company is having its own in house Research & Development. The Company has not taken any Foreign Collaboration. The Company's Research & Development Division is continuously working and keeping pace with the latest development in high tech areas. During the year the Company has developed some specific models / design of the product as per requirement of the Buyers.

**FOREIGN EXCHANGE EARNINGS AND OUTGO :**

		<u>Rs. in Lacs</u>
<b>Earning</b>		1069.68
<b><u>Outgo :</u></b>		
Travelling Expenses	20.12	
Raw Material & other items	54.72	
Others	<u>6.08</u>	80.92

**ACKNOWLEDGMENT :**

Your Directors wish to express their appreciation of the continued co-operation of the Central and State Government, Bankers, Financial Institutions, Customers, Dealers and Suppliers, Shareholders specially Canara Bank and look forward to their continuous support.

Your Directors also wish to thank all the employees for their contribution, support and continued co-operation throughout the year.

For and on behalf of the Board of Directors

Sd/-  
**R. K. PODDAR**  
Managing Director

Sd/-  
**D. D. AGARWAL**  
Director

PLACE : JAIPUR

Dated : July, 24th 2002