

TWENTY FOURTH (24TH) ANNUAL REPORT 2008 - 2009



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

COMPANY SECRETARY

Ms. Meghavi Bhansali

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, 12th Aug., 2009 at 11:00
 A.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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MAYUR LEATHER PRODUCTS LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of **MAYUR LEATHER PRODUCTS LIMITED** will be held on Wednesday, 12th of August, 2009 At 11:00 A.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, 2009 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 confirm the payment of Interim Dividend and to declare final dividend on Equity Shares for the year 2008-09.
3. To appoint a Director in place of Shri 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. **Reappointment of Managing Director**

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, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force) to the re-appointment of 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 w.e.f. 12th September, 2009 with liberty to the Board (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of said appointment and/ or remuneration, subject to the condition that the same will be within the limit of 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 in 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/-
(R.K. PODDAR)
Managing Director

PLACE : JAIPUR
DATE : 30th June, 2009



MAYUR LEATHER PRODUCTS LIMITED

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 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 08th August 2009 to 12th August 2009 (Both days inclusive).
3. The final 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 12th day of August, 2009. 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.
4. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial years ended 31st March 2003, 31st March 2004, 31st March 2005, 31st March 2006, 31st March 2007, 31st March 2008 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 2010-2011, 2011-2012, 2012-2013, 2013-14, 2014-15 & 2015-16 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.**

5. 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 to enable the Company to consolidate their holdings in one folio.
6. Members requiring information on the accounts are requested to write to the Company at least 10 (ten) days before the date of the meeting to enable the Company to furnish the information.
7. Members are requested:
 - a) to bring their copy of the Annual Report along with 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.
8. All documents referred to in accompanying Notice 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 up to the date of Annual General Meeting.
9. 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.



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10. Members are also requested to furnish their bank account number, name & address of the bank to enable printing 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.
11. 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.

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 10th July 2004 had appointed Shri Rajendra Kumar Poddar as Managing Director for a period of 5 years w.e.f. 12.09.2004. Therefore, the present term of Shri R.K. Poddar as Managing Director is due to expire on 11th September 2009. The Board of Directors, at their meeting held on 30.06.2009, has recommended to the shareholders for the re-appointment of Shri Rajendra Kumar Poddar for a further period of 5 years w.e.f 12th September 2009.

Shri R.K. Poddar, aged 54 years, is a commerce graduate from University of Calcutta. He is very senior and experienced personnel of the Company. The Company has achieved an outstanding growth during the tenure of his leadership. He has a vast experience in the multifarious aspects of corporate working viz. management, finance, marketing, personnel among others. His unmatched leadership and management skills have steered the Company on the progress path that is measuring new scales every time. He is responsible for formulating overall policies and management of the Company. The main terms of his re-appointment are as follows:

1. Remuneration

- a) Salary Rs. 1,00,000/- 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 Rs. 25,000/- p.a.
 - Club fees: Fees of clubs subject to a maximum of two clubs. No admission and life membership fee will be paid.



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2. Provident Fund

Company's contribution towards Provident Fund as per rules of the Company 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 twelve 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 for 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 other expenses incurred for 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 Shri R.K. Poddar and Smt. Amita Poddar are concerned or interested in the said resolution.

The Board commends passing of this resolution.

This should be treated as an abstract of the terms of appointment and payment of remuneration to Shri R.K. Poddar and a memorandum as to the nature of the concern or interest of the Directors as required under section 302 of the Companies Act, 1956.

By Order of the Board

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

PLACE : JAIPUR
DATE : 30th June, 2009



MAYUR LEATHER PRODUCTS LIMITED

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the Twenty Fourth Annual Report of your Company along with Audited Annual Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

The financial performance of the Company for the year ended on 31st March, 2009 is as follows:

	Rs. in Lacs	
	31.03.2009	31.03.2008
Turnover (FOB)	1644.62	2390.57
Other Income	384.89	358.17
Less: Total Expenditure	1560.03	2262.05
Interest	26.74	25.71
Depreciation	44.36	41.56
Profit before Tax & extra-ordinary items	398.38	419.42
Add/Less: Extra Ordinary Items	4.33	11.41
Profit before Tax	402.71	408.01
Less: Provision for Current Tax	129.50	137.00
Provision for FBT	2.90	2.75
Add: Excess Depreciation written back	0.19	-
Deferred tax written back	3.98	1.14
Less: Income tax for earlier years	5.72	1.93
Net Profit/ (Loss) after Tax for the year	268.76	267.47
Profit/ (Loss) brought forward	630.77	478.82
Profit available for appropriation	899.53	746.29
<u>Appropriations:</u>		
Proposed dividend on equity shares	67.69	77.37
Tax on proposed dividend	11.50	13.15
Transfer to general reserve	22.00	25.00
Balance carried forward	798.34	630.77

OPERATIONS

On account of the Global recession, specially considering that we are primarily into Exports there has been a deduction over 30% in our turnover in terms of Qty 2.57 Lacs Pairs (Shoes & Shoe Uppers) & Value 745.95 Lacs.

However we have managed to retain more or less the same level of Profit before tax due to the following reasons: -

- A. Improved efficiency in Production.
- B. Utilisation of reserves created by Key man Insurance.
- C. Better fiscal Management of Financial resources.



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D. Better foreign exchange rate.

Further, since the foreign currency market has been very volatile recently; it is difficult to predict the rupee movements against these currencies for the time being. The following table indicates the turn over for the last 5 years:

2004 - 05	Rs. 1692.46 Lacs
2005 - 06	Rs. 1806.32 Lacs
2006 - 07	Rs. 2485.46 Lacs
2007 - 08	Rs. 2390.57 Lacs
2008 - 09	Rs. 1644.62 Lacs

We seriously embarked upon TQM systems to ensure that we reduce our inefficiencies and strengthen our efficiencies. Results have already begun to show and efficiencies are ever improving. Yet there is a long way to go.

Human Resource Department is faced with a great challenge - (a) To improve retention (b) To arrange for skilled manpower.

Shortage of skilled manpower is one of the greatest challenges faced by Indian industries today. We are thankful to the Human Resource of the Company who are working hard with TQM systems to try to improve their efficiencies.

We are also extending our customer base to the Indian market to off- set weakening of the USD.

RESERVES

For the period under review the Board proposes to transfer Rs.22.00 lacs to General Reserve account of the Company.

DIVIDEND

The Board of Directors is pleased to recommend a final dividend of Rs. 0.60 per equity share of Rs. 10/- each for the year 2008-09, subject to approval of Shareholders in the Annual General Meeting. Together with the interim dividend of Rs. 0.80 per equity share, already paid during the year, the total dividend for the year is proposed at Rs. 1.40 per equity share of Rs. 10.00 each. The total outgo on account of dividend payment, including dividend tax, is Rs. 79.19 Lacs.

FIXED DEPOSITS

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

DIRECTORS

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.



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The present term of Shri Rajendra Kumar Poddar, Managing Director, is due to expire on 11th September, 2009. The Board of Directors, in their meeting held on 30.06.2009, has recommended the shareholders for his re-appointment for a further period of 5 years w.e.f 12th September 2009.

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 2009-2010 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

Of all the resources available to the Company, Human Resource is the only asset that appreciates with time. In its continued efforts to nurture the best human talent, during the year the management continued with its strategy of imparting professional training to the executives and staff at various levels with a view to upgrade their competency and remove all levels of inefficiency in order to make the Company more competitive. This is not a luxury, but a necessity, if the Company has to survive in a globally competitive market. However in a recessionary economy, providing better product at better cost requires additional efforts to develop skills and efficiency in the new appointees to face the challenge.

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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed discussion on the industrial structure, development, opportunities, threats, review of operational performance and risks, as required under the Listing Agreements with stock exchanges, forms part of this report and is annexed herewith.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors confirm as under:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. that the directors 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 ended on 31st March, 2009 and of the profit or loss of the Company for that period;



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3. that the directors 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
4. that the annual accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

There are no employees in the Company whose particulars are required to be disclosed under the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, from time to time.

CORPORATE GOVERNANCE

The Company considers Corporate Governance as an important step towards building investor confidence, improve investor's protection and maximize long term shareholder value. It has implemented all the provisions of the Corporate Governance as stipulated under Clause 49 of the listing agreements with all the stock exchanges, where the Company is listed except for the requirement pertaining to the Board/ Committee structure. The Company is working rigorously to broad base its Board with aptly qualified and experienced personnel who along with fulfilling the stipulations of the clause 49 can also provide the valuable support and inputs for the growth of the Company. We are hopeful to make necessary appointments shortly. It has always been a constant endeavor of the Company to adopt good corporate governance code through independent Board, transparent disclosures and shareholders empowerment for creating and sustaining shareholder value. A separate section on Corporate Governance along with a certificate from the Auditors of the Company, certifying compliance of stipulations of Clause 49 of listing agreements with the stock exchanges with regards to the Corporate Governance code is present elsewhere.

CONSERVATION OF ENERGY

The Company has taken various steps to reduce consumption of power, fuel, oil and other energy resources by adopting various measures. The Company regularly takes advice from experts on energy conservation measures to be adopted. Regular studies are undertaken for assessing the possibilities of use of various methods by which the Company optimizes the use of energy without effecting the productivity, quality etc. Training programs are conducted to increase awareness on energy saving. As already mentioned, the efforts of the Company have already started showing results as the power, fuel and water expenses have been reduced for the year under review. This reduction has been achieved despite of escalating power and fuel prices.

RESEARCH & DEVELOPMENT / TECHNOLOGY ABSORPTION

Company continued to give utmost importance to the R&D activities. The Company has its own in-house well-developed Research and Development division. The objective of the Company through continuous Research and Development activities is the introduction of cost effective, state-of-art-products with enhanced life and to increase the production capacity. The Company's Laboratory and R&D division is continuously working towards new developments and keeps pace with the latest developments in high tech areas.

FOREIGN EXCHANGE EARNING AND OUTGO

Activities relating to exports; initiatives taken to increase exports, development of new export markets for product and services; and export plans: