

# **TWENTY EIGHT (28<sup>TH</sup>) ANNUAL REPORT 2012 -2013**



Being ahead of time



## **MAYUR LEATHER PRODUCTS LTD.**

ISO 9001:2008 Certified Star Export House



# MAYUR LEATHER PRODUCTS LTD.

<b>BOARD OF DIRECTORS</b> Shri R.K. Poddar- Director Shri Rajesh V. Gupta -Director Shri K.D. Agarwal- Director Smt. Amita Poddar- Director	<b>INTERNAL AUDITORS</b> Verma Prashant & Associates C-225, Gyan Marg, Tilak Nagar, Jaipur – 302 004	
<b>CHIEF FINANCIAL OFFICER</b> Shri Rajendra Tripathi		
<b>COMPLIANCE OFFICER</b> Shri Nitesh Kumar Kumawat	<b>CORPORATE ADVISOR</b> V. M. & Associates, Company Secretaries, 403, Royal World, S.C. Road, Jaipur – 302 001	
<b>PRINCIPAL BANKER</b> Canara Bank Overseas Branch, C7(A), Sultan House, Banipark, Sawai Jaisingh Highway, Jaipur - 302 016.		
<b>AUDITORS</b> Madhukar Garg & Co. Chartered Accountants K-2-B, II Floor, Raj Apartment, Keshav Path, C- Scheme, Jaipur – 302 001	<b>VENUE</b>  G-60-62 & 67-69, Jaitpura Industrial Estate, Jaitpura- 303704, Jaipur (Raj.) Dated: Saturday, the 15 <sup>th</sup> July 2013 at 03:30 P.M.	
<b>REGISTERED OFFICE &amp; WORKS</b> 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 : <a href="mailto:mlp@mayurleather.com">mlp@mayurleather.com</a>	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.	
<b>CORRESPONDENCE OFFICE</b> B-5, Vrindavan Apartments, Vrindavan Vihar, King’s Road, Jaipur – 302 019, Rajasthan Ph: 91-99289 11947 Fax: 91-141-2810385	<b>CONTENTS</b>  Notice Director's Report Compliance Certificate Corporate Governance Report Management Discussion & Analysis Report Auditor’s Report on corporate governance Auditor’s Report Balance Sheet Profit & Loss A/c Notes on Accounts Cash Flow Statement	Page No.  1 7 14 16 28 32 33 37 38 39 61
<b>REGISTRAR &amp; TRANSFER AGENT</b> Link Intime India Pvt. Ltd. A-40, 2 <sup>nd</sup> Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi –110 028 Ph: 91-1141410592-94/ Fax: 91-11-41410591 e-mail: <a href="mailto:delhi@linkintime.co.in">delhi@linkintime.co.in</a>		



# MAYUR LEATHER PRODUCTS LTD.

## NOTICE OF MEETING

**NOTICE** is hereby given that the 28th Annual General Meeting of the Members of **MAYUR LEATHER PRODUCTS LIMITED** will be held on Monday, the 15th day of July, 2013 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, 2013 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 dividends and to declare Dividend on Equity Shares of the Company for the year ended 31st March, 2013.
3. To appoint a Director in place of Shri Rajesh V. Gupta, who retires by rotation and being eligible, offers him-self for re-appointment.
4. To re-appoint retiring auditor M/s. Madhukar Garg & Co., Chartered Accountants, 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, having ICAI registration no.000866C 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 may be fixed by the Board of Directors as per the provision of Section 224 and other applicable provision of the Companies Act, 1956."

### 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."
6. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:  
"RESOLVED THAT as per the provisions of Section 260 of the Companies Act, 1956 and other applicable provisions, if any, Mr. Madhusudan Prasad Kejriwal, who was appointed as an Additional Director on the Board of the Company and whose term of appointment expires at this Annual General Meeting be and is hereby re-appointed as a Director."
7. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:  
"RESOLVED THAT as per the provisions of Section 260 of the Companies Act, 1956 and other applicable provisions, if any, Mr. Madhukar Chaturvedi, who was appointed as an Additional Director on the Board of the Company and whose term of appointment expires at this Annual General Meeting be and is hereby re-appointed as a Director."

**By Order of the Board**

**PLACE: JAIPUR**  
**DATE : 30.05.2013**

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



# MAYUR LEATHER PRODUCTS LTD.

## **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.**
- 2. 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.**
- 3. Corporate** members are requested to send a duly certified true copy of the board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. The register of members and share transfer books of the Company will remain closed from Saturday, 13<sup>th</sup> July, 2013, to Monday, 15<sup>th</sup> July, 2013 (both days inclusive).
5. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
6. Members and Proxies attending the meeting should bring their copy of annual report and the attendance slip duly filled to attend the Meeting.
7. Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
8. In Terms of Article 89 of the Article of Association of the Company, read with Section 256 of the Companies Act, 1956, Shri Rajesh V. Gupta, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors, of the Company recommends their re-appointment.
9. The details pertaining to director seeking appointment/re-appointment, as required to be provided pursuant to clause 49 of the Listing Agreement are annexed to the notice.
10. Payment of dividend as recommended by the Board of Directors, if sanctioned at the meeting, will be paid to those members whose names appear on the Company's Register of Members on Monday, 15<sup>th</sup> July. 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.
11. Members are advised to encash their dividend warrants immediately on its receipt, as dividends remaining unclaimed for seven years will be transferred to the "Investor Education and Protection Fund" established by the Central Government under the amended provisions of the Companies Act, 1956. Members will be unable to claim any unpaid dividend once the said amount is transferred to Investor Education and Protection Fund.
12. 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.
13. 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



## MAYUR LEATHER PRODUCTS LTD.

keep the information ready.

14. The Register of Directors' shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the Annual General Meeting.
15. The Register of Contracts maintained under Section 301 of the Companies Act, 1956 will be available for inspection by the members at the registered office of the Company.
16. 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.
17. 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.
18. 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, 2<sup>nd</sup> 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.
19. 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.
20. 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.
21. Members are informed that Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by companies through electronic mode. Companies are now permitted to send various notices/documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. Your company has also decided to be a part of this initiative and request the shareholders to send/update their email id's in the company's record. This initiative will enable better flow of the information required to be disseminated to the members and save the environment by saving the paper. We seek your whole-hearted support for this initiative.
22. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.





# MAYUR LEATHER PRODUCTS LTD.

## **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.

### **ITEM NO. 6**

Mr. Madhusudan Prasad Kejriwal was appointed as an Additional Director of the Company in the Board Meeting held on 6<sup>th</sup> day of March, 2013. As per the provisions of Section 260 of the Act read with related Article of the Articles of Association of the Company, the director shall hold office only upto the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as a Director.

The Company has received a Notice in writing from a Member along with a deposit of Rs. 500/- proposing the candidature of Mr. Madhusudan Prasad Kejriwal for the office of Director of the Company, under the provisions of Section 257 of the Companies Act, 1956 (the Act).

It will be in interest of the Company that Mr. Madhusudan Prasad Kejriwal is appointed as Director, who if appointed, shall be liable to retire by rotation, in accordance with the provisions of Articles of Association of the Company.

A brief Resume of Mr. Madhusudan Prasad Kejriwal, nature of expertise in specific functional areas and names of Companies in which he holds Directorships and memberships Chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement signed by the Company with the Stock Exchange in India, are provided in the annexure to the notice.

None of the directors are interested in the said resolution.  
Your Directors recommends the Ordinary Resolution for approval.

### **ITEM NO. 7**

Mr. Madhukar Chaturvedi was appointed as an Additional Director of the Company in the Board Meeting held on 06<sup>th</sup> Day of March, 2013. As per the provisions of Section 260 of the Act read with related Article of the Articles of Association of the Company, the director shall hold office only upto the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as a Director.

The Company has received a Notice in writing from a Member along with a deposit of Rs. 500/- proposing the candidature of Mr. Madhukar Chaturvedi for the office of Director of the Company, under the provisions of Section 257 of the Companies Act, 1956 (the Act).

It will be in interest of the Company that Mr. Madhukar Chaturvedi is appointed as Director, who if



## MAYUR LEATHER PRODUCTS LTD.

appointed, shall be liable to retire by rotation, in accordance with the provisions of Articles of Association of the Company.

A brief Resume of Mr. Madhukar Chaturvedi, nature of expertise in specific functional areas and names of Companies in which he holds Directorships and memberships Chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement signed by the Company with the Stock Exchange in India, are provided in the annexure to the notice.

None of the directors are interested in the said resolution.  
Your Directors recommends the Ordinary Resolution for approval.

**By Order of the Board**  
**Sd/-**  
**R.K. PODDAR**  
**Chairman**

**PLACE: JAIPUR**  
**DATE : 30.05.2013**

### **ANNEXURE TO THE NOTICE OF 28<sup>th</sup> AGM**

#### **Details of Director seeking appointment/re - appointment at the 28<sup>th</sup> Annual General Meeting as per Clause 49 of the Listing Agreement**

Shri Rajesh V. Gupta is retiring by rotation at the date of ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Details of Shri Rajesh V. Gupta, Director of the Company are as follows:

Name of the Director	Shri Rajesh V. Gupta
Date of Birth	19.05.1954
Date of Appointment	13.03.1987
Qualification(s)	B.Tech
Name of the Companies in which directorship held as on 31.03.2013	1.Mayur Leather Products Limited 2.Mayur Industries Ltd 3. Bajaj Carpet Industries Ltd.
Member of the Committee of Board of other companies	1.Mayur Industries Ltd 2. Bajaj Carpet Industries Ltd.
No. of Shares held in the Company	4,28,300



## MAYUR LEATHER PRODUCTS LTD.

Shri Madhusudan Prasad Kejriwal is appointed as an ordinary Director at the date of ensuing Annual General Meeting.

Details of Shri Madhusudan Prasad Kejriwal, Director of the Company are as follows:

Name of the Director	Shri Madhusudan Prasad Kejriwal
Date of Birth	13 <sup>th</sup> December, 1949
Date of Appointment	06 <sup>th</sup> March, 2013
Qualification(s)	Graduate
Name of the Companies in which directorship held as on 31.03.2013	Mayur Leather Products Limited
Member of the Committee of Board of other companies	NIL
No. of Shares held in the Company	0

Shri Madhukar Chaturvedi is appointed as an ordinary Director at the date of ensuing Annual General Meeting.

Details of Shri Madhukar Chaturvedi, Director of the Company are as follows:

Name of the Director	Shri Madhukar Chaturvedi
Date of Birth	03 <sup>rd</sup> July, 1949
Date of Appointment	06 <sup>th</sup> March, 2013
Qualification(s)	B.Sc.
Name of the Companies in which directorship held as on 31.03.2013	Mayur Leather Products Limited
Member of the Committee of Board of other companies	NIL
No. of Shares held in the Company	0





# MAYUR LEATHER PRODUCTS LTD.

## DIRECTORS' REPORT

**Dear Members,  
Mayur Leather Products Ltd.**

Your Directors have pleasure in presenting the Twenty Eight Annual Report of your Company along with Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS

The financial performance of the Company for the year ended on 31<sup>st</sup> March, 2013 is as follows:

Particulars	31.03.2013	31.03.2012
Turnover (FOB)	21,75,12,777.00	21,05,79,772.21
Other Income	69,71,928.28	60,71,901.12
Less: Total Expenditure	20,29,24,962.40	20,50,93,878.16
<b>Profit before interest, depreciation and tax</b>	<b>2,15,59,742.88</b>	<b>1,15,57,795.17</b>
Interest	49,13,806.71	51,52,193.60
Depreciation	36,86,426.00	46,35,005.00
<b>Profit before Exceptional &amp; extra-ordinary items &amp; Tax</b>	<b>1,29,59,510.17</b>	<b>17,70,596.57</b>
<b>Less: Exceptional Item</b>	<b>11,16,605.00</b>	<b>9,27,769.62</b>
Add/Less: Extra Ordinary Items	-	-
<b>Profit before Tax</b>	<b>1,18,42,905.17</b>	<b>8,42,826.95</b>
Less: Deferred tax	27,32,532.58	7,11,310.00
Less: Income tax	23,56,110.00	(3,87,389.00)
<b>Net Profit/ (Loss) after Tax for the year</b>	<b>67,54,262.59</b>	<b>5,18,905.95</b>
Profit/ (Loss) brought forward	7,33,73,388.33	75773382.38
Profit available for appropriation	8,01,27,650.92	7,62,92,288.33
Appropriations:		
Interim Dividend on Equity Shares for the year	24,17,400.00	0.00
Proposed dividend on equity shares	24,17,400.00	24,17,400.00
Tax on proposed dividend	7,84,326.00	4,01,500.00
Transfer to general reserve	2,00,000.00	1,00,000
<b>Balance carried forward</b>	<b>7,43,08,524.92</b>	<b>7,33,73,388.33</b>

Previous year figures have been re-grouped and rearranged wherever considered necessary.



# MAYUR LEATHER PRODUCTS LTD.

## OPERATIONS

During the last two years 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 2009-10, it declined by 12% as compared to year 2008-2009.

But in the year 2010-11 it was increased by 25.94% and in current year we have achieved 4.21% increment as compared to previous year's turnover. In spite of this increment our profit margin comes down because of the effect of inflation on the price of raw materials.

The table below shows the comparative growth in revenue of the Company since last three years:

Financial year	Revenue from operations	Other income	Total revenue
2010 - 11	Rs. 2041.53 Lacs	Rs. 52.16 Lacs	Rs. 2093.69 Lacs
2011 - 12	Rs. 2105.80 Lacs	Rs. 60.72 Lacs	Rs. 2166.52 Lacs
2012 - 13	Rs. 2175.13 Lacs	Rs. 69.72 Lacs	Rs. 2244.85 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:

- In collaboration with M/s UVEX our German buyers: European union is under recession. We are trying to stabilize out turnover and increase our customer base.
- We undertook project implementation to start Vulka Shoe production for the Company Heckel Securite, France. This has helped to nullify the reduction in exports to Europe over the last few years.
- Development is on for new customers in Oman and Qatar to nullify reduction due to recession in middle east.
- 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 market was approx. 29429 Pairs valued at approx. Rs. 1.49 Crores. In the year 2010-11 our local turnover was increased approx. 64% in comparison with the year 2009-10.

During the year 2011-12 due to recession effect on local market our local turnover has decreased to 28250 pairs valued at 1.50 crore which is 43.62% decrease as compared to last year. And during the current year it is almost same as Previous Year i.e. 28341 pairs valued at 1.51 Crore. Efforts are on to increase local market hence to supplement decrease in export market.

However the thrust is to enter the Indian market in a big way as even in india people are moving towards safety consciousness and demand is slowly increasing for quality safety footwear even though price expectation is a challenge.