

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

MAYUR UNIQUOTERS LIMITED



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FIFTH ANNUAL REPORT 1996-98

MAYUR UNIQUOTERS LIMITED

5th ANNUAL REPORT 1996-98



BOARD OF DIRECTORS:

Mr. S. K. PODDAR
Chairman

Mr. RAJESH RUNGTA
Managing Director

Mr. R. V. GUPTA
Director

Mr. R. K. PODDAR
Director Finance

Mr. V. K. AGGARWAL
Director Technical

Ms. A. NARAIN
Nominee Director (IDBI)

Mr. S. GUPTA
Nominee Director (RIICO)

Bankers :

Canara Bank
Arvind Marg, M.I. Road, Jaipur.

Auditors :

Madhukar Garg & Co.
Chartered Accountants
3, Gangwal Park, Jaipur

Regd. Office :

1st Floor, Rotary Bhawan,
Church Road, Jaipur.

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NOTICE

NOTICE is hereby given that the Fifth Annual General Meeting of the Members of M/s. MAYUR UNIQUOTERS LIMITED, will be held at its Factory Premises situated at Village Jaitpura, Jaipur-Sikar Road, Jaipur on Saturday the 19th September, 1998 at 10.00 A.M. to transact the following business :-

ORDINARY BUSINESS :

1. To receive consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit & Loss Account for the period ended on that date and Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Suresh Kumar Poddar, who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr. Rajesh V. Gupta, who retires by rotation and is eligible for reappointment.
4. To appoint the Auditors and fix their remuneration.

SPECIAL BUSINESS :

5. To appoint Mr. Rajesh Rungta, an Additional Director of the Company, who vacates office at this Meeting and, if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution :

“RESOLVED THAT Mr. Rajesh Rungta be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.”

6. To appoint Mr. Rajesh Rungta as Managing Director and pass with or without modification the following Resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to the approval of Financial Institution (wherever it may be required in terms of any agreement made with them) the Company hereby approves the terms of appointment and remuneration of Mr. Rajesh Rungta who has been appointed by the Board of Directors, the Managing Director is not retiring by rotation, for a period of Five years with effect from 17th March, 1998 upon such terms and conditions set out in the draft Agreement submitted to this meeting and initialled for identification.

RESOLVED FURTHER THAT the Board of Directors be and is hereby specifically authorised to determine such increments payable to Mr. Rajesh Rungta as it may deem fit and proper within the limits of Schedule XIII of the Companies Act, 1956.”

- 7 To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT in supersession of Resolution passed at Third Annual General Meeting held on 29th September, 1995 and pursuant to section 293 (1) (d) the Companies Act, 1956 and all other applicable provision, if any, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of moneys which together with moneys already borrowed by the Company

(apart from the temporary loan obtained from the company's bankers in ordinary course of business) shall not exceed in the aggregate at any time Rupees Thirty Crores irrespective of the fact that such aggregate amount of borrowing outstanding at any time may exceed the aggregate for time being of the paid up capital of the Company and its free reserves that is to say reserves that is to say reserves not apart for specific purpose."

By Order of the Board

sd/-

[RAJESH RUNGTA]
MANAGING DIRECTOR

PLACE : JAIPUR

DATED: 24th August, 1998.

NOTES

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. ~~PROXIES 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 Share Transfer Book of the Company shall remain closed from Monday the 14th September, 1998 to Saturday 19th September, 1998 (both days inclusive).
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 5 & 6 of the Notice is given below and forms part thereof.
4. 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.
5. Members are requested to notify immediately any change in their address to the Company.
6. Members are requested to bring their copy of the Annual Report alongwith them at the meeting.

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

Item No. 5

Mr. Rajesh Rungta, who was appointed as an Additional Director of the Company in terms of Section 260 of the Companies Act, 1956 on 17th March, 1998, vacates his office at this Annual General Meeting. Due notice under Section 257 of the Companies Act, 1956 has been received from a Member, proposing the appointment of Mr. Rajesh Rungta as a Director of the Company whose period of office shall be liable to determination by retirement by rotation.

None of the Directors, other than Mr. Rajesh Rungta, is interested in this Resolution.

The Board recommends this Resolution for your approval.

Item No. 6

Mr. Rajesh Rungta was appointed as Managing Director of the Company for a period of Five Years by the Board of Directors on 17th March, 1998 on such terms and conditions contained in the draft agreement. As the remuneration payable and perquisites provided to Shri Rajesh Rungta on his appointment as Managing Director as well as other conditions as prescribed under the Companies Act, 1956 are within the provisions of Schedule XIII to the Act, no approval of Central Government for appointment of Mr. Rajesh Rungta is required.

The draft Agreement between the Company and Mr. Rajesh Rungta contains the following main terms and conditions :

1. Period of Agreement 5 years with effect from 17th March, 1998.

2. Remuneration

Salary Rs.15000/- per month

3. PERQUISITES:

A) In addition to salary and commission the following perquisites not exceeding the overall ceiling prescribed under schedule XIII will be provided to the Joint Managing Director :-

a) Medical Reimbursement:

Expenses incurred for the Managing Director and his family subject to a ceiling of one month salary in a year or three months salary over a period of three years.

b) Leave Travel Concession:

Leave Travel Allowance will be paid by the Company for self and his family once in a year in accordance with the Rules specified by the Company.

c) Club Fees:

Reimbursement of Club fees, subject to a maximum of two clubs. This will not include admission and life membership fees.

d) Personal Accident Insurance:

Personal Accident insurance cover as applicable will be provided to him by the Company premium payable shall not exceed Rs.4000/- per annum.

B) Apart from the above the Managing Director shall also be entitled to the following :-

a) Provident Fund/Superannuation Fund/Annuity Fund:

Contribution to provident fund, Superannuation Fund/Annuity Fund in accordance with the rules of the Company.

b) Gratuity:

Gratuity, at a rate not exceeding half month's salary for each completed year of service

c) Company Car & 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 purposes shall be billed by the Company to the Managing Director.

d) Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company.

e) Leave as per Rules of the Company.

None of the Directors, other than Mr. Rajesh Rungta, is interested in this Resolution.

The Board recommends this Resolution for your approval.

Item No. 7

Section 293 (1) (d) of the Companies Act, 1956 lays down interalia that the Board of Directors of a Public Company shall not except with consent of the Company in General Meeting borrow moneys, where the moneys already borrowed by the company (apart from temporary loans obtained from company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital and its free reserves, that is to say, reserves not set apart for any purpose.

The Company at its Third Annual General Meeting held on 29th September, 1995 authorised the Board to borrow moneys as aforesaid upto a limit of Rs. 20.00 crores. In view of the increase in the volume of business, the Board considers that the limits should be revised to Rs. 30.00 crores.

The Directors recommend the resolution for your approval.

None of the Directors is concerned or interest in the Resolution.

By Order of the Board

sd/-

[RAJESH RUNGTA]
MANAGING DIRECTOR

PLACE : JAIPUR

DATED : 24th August, 1998.

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the Fifth Annual Report of the Company together with Audited Account for the period ended 31st March, 1998.

PERFORMANCE OF COMPANY:

The performance of the Company is as follows :-

	(Rs. in Lacs)		
	31.03.98 (18 Months)	30.9.96 (18 Months)	31.3.95 (12 Months)
Turnover	3963.99	2154.93	237.53
Other Income	13.99	82.46	21.91
Total Expenditure	3616.45	2041.65	189.18
Interest	260.11	205.67	31.76
Profit after Interest but before Depreciation and Tax	101.42	(9.93)	38.50
Depreciation	95.32	60.77	18.29
Provision for Taxation	2.50	----	---
Net Profit\loss for the Year	3.60	(70.70)	20.21
Production (In LM)	34.00 Lacs	14.81 Lacs	2.19 Lacs

MARKETING :

The Company is presently engaged in the manufacturing of wide range of products which find application in shoe industry, furnishing material, leather goods, luggage industry, etc. The Products of the Company have been very well accepted in domestic and International Market. The Company has necessary selling and Marketing arrangement at different locations for effective marketing of its products.

EXPORT PERFORMANCE :

The Company has achieved spectacular growth in export. During the period under review the Company has achieved export of Rs. 5.65 Crores in comparison to Rs. 1.36 Crores in the previous period.

DIRECTORS :

Mr. Rajesh Rungta, who was appointed as an Additional Director of the Company in terms of Section 260 of the Companies Act, 1956 on 17th March, 1998, vacates his office at this Annual General Meeting. Due notice under Section 257 of the Companies Act, 1956 has been received from a Member, proposing the appointment of Mr. Rajesh Rungta as a Director of the Company, offers himself for appointment.

Mr. Suresh Kumar Poddar and Mr. Rajesh V. Gupta, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Mr. Rajesh V. Gupta has been resigned from the post of Managing Director and Mr. Rajesh Rungta has appointed as Managing Director in the Meeting of Board of Directors held on 17th March, 1998.

DIVIDEND :

Due to inadequate profit during the year under review, no dividend is recommended.

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.

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.

PARTICULARS OF EMPLOYEES REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 :

None of the employees of your Company is covered under Section 212 (2A) of the Companies Act, 1956 read with the companies (Particulars of Employees) Rules, 1975 as amended.

CONSERVATION OF ENERGY :

Your Company is making continuous efforts to reduce energy consumption and achieve high plant operation efficiency. These efforts have started showing results with gradual improvement in overall plant working.

RESEARCH & DEVELOPMENT/ TECHNOLOGY ABSORPTION:

Company is having its own in house Research & Development. The Company has not taken any Foreign Collaboration. The Company's Research & Development Division is constantly working on high technology items and keeping pace with the latest development in high tech areas.

FOREIGN EXCHANGE EARNINGS AND OUTGO

	<u>Rs. in Lakhs</u>
Earning	564.84
Outgo:	
Travelling Expenses	23.99
Capital Goods	1.37
Raw Materials & other items	730.93
Others	2.58

CLARIFICATIONS ON AUDITORS REPORT :

The Profit of Rs. 3.60 lacs has been arrived at after writing off of deferred revenue expenditure of Rs. 15.16 Lacs. The company had adopted policy of writing off deferred revenue expenditure in subsequent five years. but during the period under review , the company has written off entire amount of deferred revenue expenditure. This has been done, since in the opinion of the management, the company has realised corresponding benefit during the period under review. Consequently the profit for the period is understated to the extent of Rs. 9.76 lacs and same is also qualified by auditors in their report..

The company is meeting its short term fund requirement from market by raising public deposits and other means of finance and the same are treated by the company as unsecured loan. During the period under audit the company has received unsecured loans from certain finance companies and other parties by way of discounting of Bill of Exchange and they have been classified as unsecured loans. However the auditors have qualified their report that unsecured loan are overstated and current liabilities are understated by Rs. 58.17 Lacs.

The Company has taken foreign currency loan from IDBI and the company has not accounted for the foreign currency fluctuations during the period under review. In the opinion of management the foreign currency fluctuations shall be accounted for in the year of full repayment of FC Loan. However the auditors have also qualified in their report that fixed assets and secured loans are understated to the extent of Rs. 4.89 Lacs.

ACKNOWLEDGEMENT :

Your Directors wish to place on record their sincere appreciation for the whole hearted co-operation received by the company from the Government & Government Agencies, Industrial Development Bank of India, Rajasthan State Industrial Development and Investment Corporation Ltd., Canara Bank and look forward to their continuous support.

Your Directors also wish to place on record their sincere appreciation for the valued contribution, unstinted efforts and spirit of dedication shown by the company employees, officers and the executives at all levels which contributed, in no small measure, to the progress and performance of the Company during the year review.

For and on behalf of the Board of Directors

sd/-

(RAJESH RUNGTA)
MANAGING DIRECTOR

Place : Jaipur

Dated : 24th August, 1998.