

# **SEVENTH ANNUAL REPORT 1999-2000**

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**MAYUR UNIQUOTERS LIMITED**

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#### **BOARD OF DIRECTORS**

SHRI S.K.PODDAR : CHAIRMAN & MANAGING DIRECTOR  
SHRI R.K.PODDAR : DIRECTOR  
SHRI RAJESH V.GUPTA : DIRECTOR  
SHRI V.K.AGGARWAL : DIRECTOR  
SHRI SUNIL GUPTA : NOMINEE OF RIICO LTD.

SHRI R.K.GUPTA : COMPANY SECRETARY

BANKERS : CANARA BANK  
ARVIND MARG, JAIPUR.

AUDITORS : MADHUKAR GARG & CO.  
CHARTERED ACCOUNTANTS  
3, GANGWAL PARK, JAIPUR.

REGISTERED OFFICE : ROTARY BHAWAN, CHURCH ROAD,  
JAIPUR.

FACTORY : VILLAGE- JAIPURA; JAIPUR- SIKAR  
ROAD, JAIPUR.

## NOTICE

Notice is hereby given that 7<sup>th</sup> Annual General Meeting of the Company will be held at the Factory premises situated at village Jaitpura, Jaipur-Sikar Road, Jaipur on Tuesday, the 12<sup>th</sup> September, 2000 at 11.00 A.M., to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2000 and the Profit & Loss Account for the even date and Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. Rajesh V. Gupta who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s) following as **ORDINARY RESOLUTION:**

RESOLVED THAT Pursuant to the Provisions of Section 198,269,309 read with the Schedule XIII annexed to the Act and Other applicable provisions of the Companies Act, 1956, subject to the approval of Financial Institutions (wherever it may be required in terms of any agreement with them), consent of the Company be and is hereby accorded for the appointment and remuneration of Mr. S.K.Poddar who has been appointed by the Board of Directors as Whole Time Director of the Company for five years w.e.f. 1<sup>st</sup> April 2000 and in the Board Meeting held on 27<sup>th</sup> July, 2000 redesignated and appointed him as Managing Director on the terms & conditions set out in the agreement submitted to this Meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary or increase the remuneration and perquisites including the monetary value thereof as specified in the agreement to the extent the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with any provisions of the Act, for the time being in force or any modification thereof and the terms of the aforesaid agreement between the Company and Shri S.K.Poddar shall be suitably modified to give effect to such variation or increase as the case may be."

5. To consider and if thought fit, to pass with or without modification(s) following as **SPECIAL RESOLUTION:**

RESOLVED THAT Pursuant to the provisions of Section 31 and Other provisions, if any, of the Companies Act, 1956 The Articles of Association of the Company be and are hereby amended in the following manner:

The following New Article 20A be inserted after the present Article 20:

"(20A) Either the Company or Member (s) or Investor(s) may exercise an option to issue, deal in, hold the securities (including shares) with depositories in electronic form as the certificates in respect thereof shall be dematerialised in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modifications thereto or re-enactment thereof."

By Order of the Board

Date : 27<sup>th</sup> July, 2000  
Place : Jaipur

R.K.Gupta  
Company Secretary

**Notes:**

- 1) A member is 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. The Instrument appointing proxy should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
- 2) The register of Members and Share Transfer Books of the Company shall remain closed from Friday 8<sup>th</sup> September 2000 to Tuesday 12<sup>th</sup> September 2000 (both days inclusive).
- 3) The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 4 & 5, is annexed hereto.
- 4) Members are requested :
  1. To notify the Change of Address, if any, immediately to the Company quoting their folio numbers.
  2. To require information about Accounts to be explained in the Meeting are requested to inform the Company at least 10 days in advance of the Annual General Meeting.
  3. To bring their copies of the Annual Report in the Annual General Meeting.
  4. 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.
- 5) Equity Shares of the Company are listed for trading in the following Stock Exchange(s):

.No	Name of Stock Exchange	Address
1	The Jaipur Stock Exchange Ltd.	Stock Exchange Building, Malviya Nagar, Jaipur.
2	The Stock Exchange Ahmedabad	Kamdhenu Complex, Opp. Sahajanand College, Panjarapole, Ahmedabad-380015
3	The Stock Exchange, Mumbai	Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai- 400001
4	The Delhi Stock Exchange Association Ltd.	West Plaza, Indra Gandhi Stadium, Indraprastha Estate, New Delhi- 110002
5	The Calcutta Stock Exchange Association Ltd.	7, Lyons Range, Calcutta- 700001.

Annual Listing Fee have been paid to all the above Stock Exchange(s) for the year 2000-2001.

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 4**

Shri S.K.Poddar is a Promoter Director of the Company since incorporation. Board of Directors have appointed Shri S.K.Poddar as Whole Time Director of the Company in their Meeting held on 10th March, 2000 for 5 years w.e.f. 1st April, 2000 and in the Board Meeting held on 27<sup>th</sup> July, 2000 redesignated and appointed him as Managing Director in place of Whole time Director on the terms and conditions setting out in the agreement which is as under:

1. Period of Agreement : 5 years w.e.f. 1<sup>st</sup> April, 2000
2. Remuneration  
Salary : 72,000/- Per Month
1. Perquisites

**CATEGORY A:**

In addition to salary the following Perquisites not exceeding the overall ceiling prescribed under the schedule XIII will be provided to the Managing Director:

a) Housing	i) The Company may provide own/leased free furnished accommodation. ii) Where the Company does not provide accommodation to the Managing Director, House Rent Allowance may be paid by the Company @60% of the Basic Salary. iii) The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962 and shall be subject to a ceiling of 10% of the salary.
b) Medical Reimbursement	Expenses incurred for self and his family subject to a ceiling of one month salary in a year or three months salary over a period of three years.
c) Leave Travel Concession	For self and his family once in a year in accordance with the Rules specified by the Company.
d) Personal Accident Insurance	For an amount the Annual Premium of which does not exceed Rs. 25000.00
e) Club Fee	Reimbursement of club fees, subject to a maximum of two clubs. Admission Fees may also be paid for a maximum of two clubs.

**CATEGORY B**

The following perquisites shall also be allowed and they will not be included in the computation of ceiling on perquisites mentioned above as permissible under existing law:

- i) Contribution to Provident Fund/Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.

- ii) Leave as per Company's Rules, encashment of leave at the end of tenure will not be included in the computation of ceiling on perquisites

### **CATEGORY C**

- I) Free use of Company's car with driver on Company's business and telephone at residence will not be considered as perquisites.
- II) Personal long distance calls and use of cars for private purpose shall be billed by the Company.
- III) Reimbursement of entertainment expenses, travelling and other expenses, actually and properly incurred for the purpose of Company's business.
- IV) No sitting fees shall be paid for attending the Meeting of Board of Directors or Committee thereof.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowance as specified above.

The terms and conditions of the said agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the maximum amount payable to the appointee in accordance with schedule XIII to the Act or any amendment made hereafter in this regard.

### **Other Terms and Conditions**

- I) The Agreement may be terminated by either party giving the other party one-month's notice.
- II) If at any time the Managing Director ceases to be Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.
- III) The Managing Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283 (1) (g) of the Companies Act, 1956.
- IV) Appointment of Shri S.K.Poddar as Managing Director on the terms and conditions set out in the aforesaid draft agreement is subject to the approval of IDBI in terms of Loan Agreement entered into by the Company with them.
- V) Where in any year, the company has no profits or its profits are inadequate, the total amount payable shall be limited to the amount laid down under Section II of Part II to Schedule XIII to the Companies Act, 1956.

As required under Section 302 of the Companies Act, 1956, abstract dated 31.03.2000 relating to the terms and conditions of the appointment and remuneration of Shri S.K.Poddar as Whole Time Director set out above were sent to the Members of the Company.

Company has received the approval of RIICO Ltd. for the above appointment and remuneration vide their letter No. F7 R/R-777 Dated 11<sup>th</sup> May, 2000. Approval of IDBI is still awaited.

The appointment and remuneration of the Shri S.K.Poddar is required to be approved by the shareholders in the first General Meeting after his appointment and accordingly, this resolution is being placed before the Members of the Company.

### **Inspection of Document**

Copy of the Agreement entered into between the Company and Shri S.K.Poddar, Permission letter of RIICO and other related documents are available for inspection to the members of the Company at the Registered Office of the Company during the business hours on any working day.

Boards of Directors commend the passing of this resolution contained in Item No. 4 of the accompanying Notice.

None of Directors of the Company except Shri R.K.Poddar are interested or concerned in this resolution.

### **ITEM NO. 5**

With the enactment of Depository Act, 1996 and SEBI guidelines issued, to be issued time to time for dematerialisation of shares and in view to facilitate smooth operation of Depository System to enable the Member(s) / Investors of the Company to dematerialised the securities of the Company. A new Article is proposed to incorporate in the Articles of Association of the Company in terms of the Special Resolution at item no.5 pursuant to the provisions of Section 31 of the Companies Act, 1956. The Directors commend the special resolution for the approval of the members.

None of Directors of the Company are interested or concerned in this resolution.

Date : 27<sup>th</sup> July, 2000  
Place : Jaipur

By Order of the Board

R.K.Gupta  
Company Secretary

**DIRECTORS REPORT****TO THE MEMBERS,**

Yours Directors have pleasure in presenting the 7<sup>th</sup> Annual Report together with Audited Annual Accounts of the Company for the financial year ended 31<sup>st</sup> March 2000.

**FINANCIAL RESULTS:**

PARTICULARS	Rs. In Lacs	
	1999-2000	1998-99
Sales	2800.61	2645.99
Other Income	10.69	4.37
Total Expenditure	2517.14	2414.75
Interest	161.08	142.62
Profit after Interest but before Depreciation and tax	133.08	95.89
Depreciation	68.21	65.15
Provision for Taxation	7.85	3.00
Net Profit(Loss) for the year	57.02	24.74
Transfer to Debenture Redemption Reserve	25.00	
Production (in L.M.)	24.35 Lacs	23.42 Lacs

**MARKETING**

Sales of the Company marginally increased from Rs. 2645.89 Lacs to Rs. 2800.61 Lacs. Company is facing tough competition in the market, traditional items are becoming cheaper and are not viable to produce resulting exports of the Company declined from Rs. 622.26 Lacs to Rs. 579.46 Lacs. Company has developed some new products formulations inhouse which is accepted in the market. During the year under review, Company has explored some new markets viz. Sri Lanka, Mauritius and South Africa. Company has focussed Special efforts in Automotive Segments resulting acceptance of Company's products by some leading companies in the industry and are under finalisation in some of the Companies. Due to the above, Domestic sales of the Company has increased from Rs. 2023.63 Lacs to Rs. 2221.15 Lacs.

**DIRECTORS**

Shri Rajesh V Gupta, Director of the Company 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. Shri Rajesh Rungta has resigned as Managing Director of the Company, Board of Directors placed on record their sincere appreciation of the valuable counsel and guidance provided during his tenure as Managing Director of the Company. During the year, Your Board of Directors have appointed Shri S.K.Poddar as Whole Time Director w.e.f. 1<sup>st</sup> April, 2000 in their Meeting held on 10<sup>th</sup> March, 2000 and in the Board Meeting held on 27<sup>th</sup> July, 2000 redesignated and appointed him as Managing Director of the Company.

**FINANCE**

During the year under review, Company has issued 2,00,000 17% Redeemable Secured Non- Convertible Debenture of Rs. 100/- each aggregating to Rs. Two Crores Only to The Industrial Development Bank of India on private placement basis to meet long term Working Capital requirement of the Company.



**DIVIDEND**

During the year under review, Company has wipe out all its accumulated losses and there after recorded Rs. 34.87 Lacs as Profit, In view to conserve the resources of the company for further growth the Board of Directors has decided not to recommend any dividend for the year 1999-2000.

**AUDITORS**

The present Statutory auditors of the company M/s. Madhukar Garg & Co., Chartered Accountants, Jaipur hold office until the conclusion of ensuing Annual General Meeting, being eligible, offer themselves for re-appointment.

**PARTICULARS OF EMPLOYEE REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956**

None of the employee of your company is covered under Section 217(2A) of the Companies Act, 1956 readwith the Companies (Particulars of employees) Rules, 1975 as amended.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

A Statement containing necessary information as required under the Companies (Disclosure of Particulars in the report of Board of directors) Rules, 1988 is annexed hereto as Annexure 'A'

**CORPORATE GOVERNANCE**

The recently introduced Code of Corporate Governance is applicable to your Company from the financial year 2002-2003. Your Board of Directors wish to inform you that Company is in the process of initiating necessary actions for the Compliance of this Code.

**YEAR 2000 COMPLIANCE**

Plant Control Systems used by the Company and Accounting & Other Management software's have been made Y2K compliant and Company has successfully rollover year 2000 Problem.

**CLARIFICATIONS ON AUDITORS REPORT**

The Company is meeting its short-term funds requirement from market and the same is 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 Bills of Exchange and they have been classified as unsecured loans, as per Company's Accounting Policy. However, the Auditors have qualified their report that unsecured loans are overstated and current liabilities are understated by Rs.174.78 Lacs. Company has accounted for Gratuity, Leave encashment, Hundi Discounting Charges and Exports benefits on cash basis, as per Company's accounting policy for accounting of these items on cash basis on consistent basis.