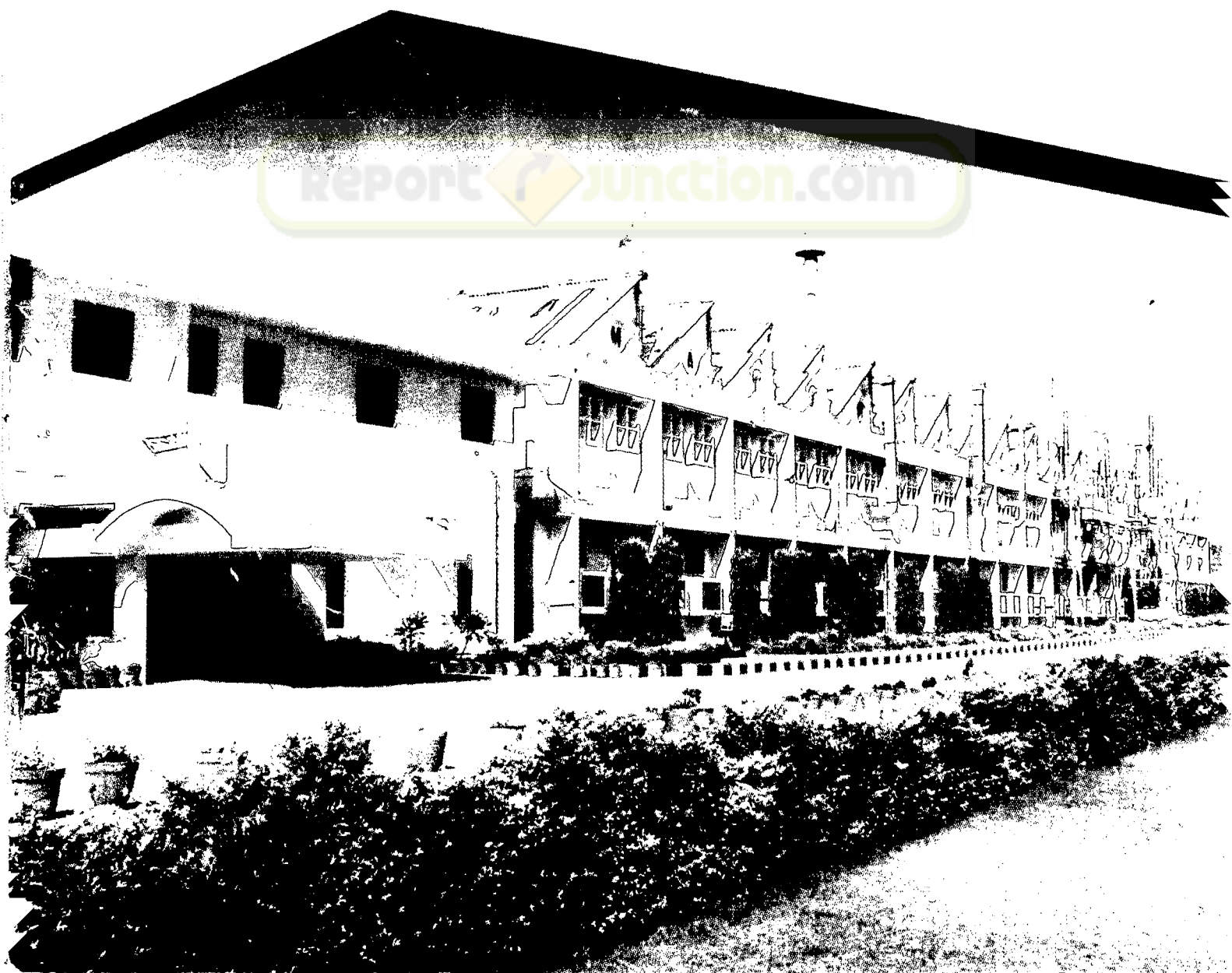


16th Annual Report 2008-09

MAYUR UNIQUOTERS LIMITED





Mr. S.K. Poddar, Chairman & Managing Director (Sitting)
Mr. Manav Poddar Whole Time Director (Standing Left)
Mr. Arun Kumar Bagaria Whole Time Director (Standing Right)

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Chairman's review

Dear Shareholders,

The year 2008-2009 was indeed a remarkable year for your company, which successfully withstood the downturn that swept through the global and Indian economy, to move ahead firmly on growth path. Despite of various negatives such as slow down in the economy and India's GDP growth, which was 9% during 2007-2008, slowed to 5.3% in the third quarter of 2008-09, growing cost pressure and sharp currency fluctuations. The company's revenues were up by 27.40% at Rs. 11504.63 Lacs from Rs.9031.22 Lacs. Despite the cost pressure and exchange fluctuation loss of Rs.349.34 lacs we were able to achieve growth of 18.63% in net profit at Rs. 606.25 Lacs from 511.03 lacs

During the year 2008-09, your Company marked its presence by gaining new customers while retaining the confidence of loyal ones. We have always pride ourselves for our marquee list of customers, this year was no exception, we continue to win the confidence and business of peers of respective business segment.

The latter part of the year 2008-09 saw introduction of a host of new variants of synthetic leather cloths for European and U.S. Automotive OEM's, which required development of the product as per stringent performance and environmental norms. The development of these products will transform in commencement of supply in the current financial year 2009-10.

We have been evaluated and approved as prospective supplier of synthetic leather cloths by leading Auto OEM of USA and Europe during their supplier evaluation and approval process namely Ford USA, Daimler Benz Germany.

We have also focused on operational efficiencies and effectiveness, cost savings and streamlining of the processes.

I would like to sincerely thank to all of our valued customers, both domestic and international, for their unstinted support.

I sincerely appreciate the contributions of all our employees, which has resulted in your company's excellent performance in 2008-09. I request them to carry on the good work and help us realise the common objectives and goal that we have set. Their efforts will greatly contribute not only in making MUL a global company but also towards realizing a National Vision to make "Made in India" a global brand manufacturing industry.

Finally, I convey my personal gratitude for the confidence that shareholders and stakeholders reposed in your company's Board of Directors. I sincerely hope that you will continue to extend your whole-hearted support to us so that along with management team, and all employees we will further accelerate the growth and progress of your company.

Yours Sincerely,
Suresh Kumar Poddar
(Chairman and Managing Director)

10/10/09



REFERENCE INFORMATION

BOARD OF DIRECTORS

Chairman & Managing Director

Suresh Kumar Poddar

Whole Time Directors

Manav Poddar

Arun Kumar Bagaria

Independent Directors

Rameshwar Pareek

Ashok Kumar Kejriwal

Kanwarjit Singh

Priyavadan Raval

Company Secretary

Sanjay Sharma

Statutory Auditors

Madhukar Garg & Company
Chartered Accountants
2A, Raj Apartment, Keshav Path
Ahinsa Circle, C-Scheme, Jaipur-01

Internal Auditors

Kalani & Company
Chartered Accountants
5th Floor, Mile Stone, Gandhi Nagar Turn,
Tonk Road, Jaipur

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Secretarial Consultants

Company Secretaries
V.M. & Associates
403, Royal World,
S.C. Road, Jaipur-01

Registrar & Share Transfer Agent

M/s Beetal Fin. & Com. Services (P) Ltd.
"BEETAL HOUSE" 3rd Floor, 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukh Dass Mandir,
New Delhi-62

Principal Bankers

Canara Bank
Andhra Bank
IDBI Bank

Correspondence Office

28, IV Floor, Laxmi Complex,
M.I. Road,
Jaipur-01 (Raj.)

Registered Office & Works

Jaipur- Sikar Road,
Village Jaitpura-303704
Teh. Chomu, Distt. Jaipur (Raj.)

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of Mayur Uniquoters Limited will be held on Friday, August 14, 2009 at 11.30 A.M., at Regd. Office & Works, at Jaipur-Sikar Road, Village Jaitpura-303704, Teh. Chomu, Distt. Jaipur (Rajasthan) to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended March 31, 2009.
3. To appoint a Director in place of Mr. Rameshwar Pareek, who retires by rotation and being eligible, offers himself for reappointment.
4. To Appoint M/s. Madhukar Garg & Co., Chartered Accountants, the retiring Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) MAY APPOINT A PROXY OR PROXIES TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF SUCH MEMBER. A PROXY NEED NOT BE A MEMBER.**

THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. Members and Proxies attending the Meeting should bring the attendance slip duly filled in for attending the Meeting.
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 Transfer Books of the Company will be closed from 10th August 2009 to 14th August 2009 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.
5. Payment of Dividend as recommended by the Directors, if approved at the Meeting, will be made to those members whose names are on the Company's Register of Members on 10th August, 2009 and in respect of shares held in dematerialized form, the dividend will be paid to members whose names are furnished by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited as Beneficial Owners as on that date.



6. 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.
7. Please quote your Folio Number and our Company's name in all correspondence with Beetal Financial & Computer Services (P.) Ltd., BEETAL House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062, who are acting as our Registrars and Share Transfer Agents.
8. Members are requested to immediately intimate change of Address, if any, to the Registrar and Share Transfer Agents quoting reference of the Registered Folio Number.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to the Company's Registrars and Transfer Agents, M/s Beetal Financial & Computer Services (P.) Ltd., for consolidation into single Folio.
10. Members may now avail of the facility of nomination by nominating, in the prescribed form, a person to whom their shares in the Company shall vest in the event of their death. Interested Members may write to the Registrars and Share Transfer Agents for the prescribed form.
11. Members are advised to encash their Dividend Warrants immediately on their receipt by you, as Dividends remaining unclaimed for seven years are now required to be transferred to the "Investor Education and Protection Fund" established by the Central Government under the amended provisions of the Companies Act, 1956. Once transferred, members will be unable to claim any unpaid Dividend either from the said Fund or from the Company.
12. Members are requested to bring their personal copy of Annual Report to the Meeting.

By Order of the Board

Sd/-
Sanjay Sharma
(Company Secretary)

Place : Jaipur
Dated : 26th June, 2009

Registered Office:
Jaipur-Sikar Road, Village Jaitpura-303704,
Teh. Chomu, Distt. Jaipur (Rajasthan)

MANAGEMENT DISCUSSION AND ANALYSIS

1. Economic Overview

The economy shows well being of any country and the spending power of its people play an important role, In India for four consecutive years till 2008, it was a dream run for the economy, with the gross domestic Product (GDP) recording an increase of 7.5%, 9.50%, 9.70%, and 9% from fiscal 2004-05 to 2007-08. This prosperity augured well for the people, with per capital income growing at 7.4% p.a., representing the fastest ever improvement in living standards over a four-year period, the gross domestic savings rate too shot up from 29.80% to 37.70% during the year 2003-04 to 2007-08..

The phase of strong growth has been impacted in 2008-09 by one of the worst economic crises witnessed in the history of the world. The Banking crises which started in the US sub prime property market triggered the collapse of several large financial institutions, including banks, mortgage and insurance companies. The crises deepened further impacting other sectors of the US economy and spreading beyond the boundaries of US as well. Global growth and output plummeted leading to a sharp fall in the asset value across advanced and emerging economics, decreased in house hold wealth and incomes and thereby putting downward pressure on consumer demand. These problems were exacerbated by the volatile price of various commodities.

Probably no economy of the world can emerge completely unscathed in such an adverse global environment. India, although affected to a lesser extent, has not been insulated from the global events. The credit and fiscal markets in the country have tightened and assets markets have declined sharply. However the Indian economy's robust fundamentals and domestic growth drivers will impart it the resilience to emerge stronger from this period. The economy is showing signs of recovery, which are already visible, will gather momentum in the coming period and in due course, see India returning to a high growth trajectory.

2. Operational Review

In uncertain and bleak market conditions during the year 2008-09, your company has posted one of the strongest performances as compared to previous years.

The production during the year under consideration was 91.37 lac linear meters as against 79.35 lac linear meters in the previous year. Your company has achieved a turnover of Rs.11504.63 lacs in the year 2008-09 against a turnover of Rs.9031.22 lacs in the year 2007-08.

Earnings before interest, depreciation and taxes increased to Rs.1177.93 lacs in 2008-09 from Rs.1021.76 lacs despite exchange fluctuation loss of Rs.349.34 lacs. Profit after Tax (PAT) went up to Rs.606.25 in 2008-09 from Rs.511.03 lacs. Earning per share (EPS) went up to Rs.11.94 in 2008-09 to 10.67 in 2007-08.

The strength of the company's business strategies and competence in execution were demonstrated in its strong performance during 2008-09.

3. Research and Development

MUL has continued its focus on in house research and development. Our R&D division continues to focus on developing the product to suit customer's requirement. We have developed special products for automotives, OEMs in Europe and USA, which satisfies the world-class quality standards for synthetic leather. Our Analytical Labs and special plant & machinery enable us to develop the leather for FORD, Mercedes Benz. This type of material has been developed for the first time in India by us and no other leather cloth company has been able to develop such product.

The dominance of Mayur as a brand in PU/PVC Synthetic Leather Market is likely to persist in 2009-10 and beyond, supported by the buoyancy in domestic as well as global demand in view of the sustained resilience of sales and profitability, and the ongoing improvement in R&D.

4. Business Outlook

In spite of global recession, highly uncertain market conditions and apprehensions of a slowdown, the company continued to drive its key strategic initiatives. Apart from domestic front our exports have increased by 39.00% from Rs.887.60 lacs in the year 2007-08 to Rs.1233.91 lacs in the year 2008-09. In the current year also we expect our exports to increase substantially in view of our successful supplier evaluation and product approval by leading Auto OEM of the world.

5. Risks and Concerns / Challenges

To sustain and grow in global market means tussle with the uncertainty and more the uncertainty, higher the risk. The risk management function is integral to the company and its objectives include ensuring that critical risk are identified continuously, monitored, and managed effectively in order to protect the company's business.

Top management of the company is well acquainted with risk inherent to the business and strategic decision taken by the Board.

A significant proportion of the company's revenue are derived from domestic markets, while maintaining strong relation and concentrating on customers company endeavour to enhance its turnover.

The Company's receivable position, measured in terms of day's sales out standing, is about 68 days. The company has suitable streamlined its processes to develop a more focused and aggressive receivables management system.

Directors and officers liability are risks arising out of their commitment, statement and decision, which may result in legal liability. Company has sufficient internal policies, procedures and communications that guide to the officers to act with proper diligence.

Fixed assets and facilities of the Company are comprehensively covered under suitable insurance policies.

6. Internal Control Framework

The Company is working on to establish framework of Internal Controls to safe guard and protect the loss from unauthorized use of assets. Internal control commensurate to its size and nature of business operations are being developed. The Board, through the Audit Committee, reviews the key issues like timely and accurate recording of financial transactions and adherence to applicable Accounting Standards, optimum utilization and Safety of assets, an effective management information system and Compliance with applicable laws, regulations, Listing Agreement and Management Policies.

7. Human Resources

MUL efforts to strengthen positive work culture and environment, which promotes innovation and excellence as also mutual trust between all the personnel and the company. MUL's lays strong emphasis on training and developing the technical and behavioral skills of the employees at each level so as to upgrade the competence and remove all level of inefficiency. On Industrial Relations front also, your Company continued to enjoy cordial and harmonious relationship with its workers.

Cautionary Statements:

Certain Statements in this report may be forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory change, local, political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. MUL will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.