

MAYUR UNIQUOTERS LTD



23rd ANNUAL REPORT
2015-16

Some Snapshots of Our's Manufacturing Facility



INDEX

23RD ANNUAL REPORT 2015-16

Corporate Information	2
Corporate Vision	3
Chairman's Statement	4
Board of Directors	6
Board's Report	9
Annexure to Board's Report	18
Management Discussion and Analysis Report	39
Report on Corporate Governance	42
General Shareholder Information	49
CEO and CFO certification	56
Auditors' Certificate on Corporate Governance	57
Independent Auditors' Report on Standalone Financial Statements	58
Standalone Balance Sheet	64
Standalone Statement of Profit & Loss	65
Standalone Cash Flow Statement	66
Notes to the Standalone Financial Statements	67
Independent Auditors' Report on Consolidated Financial Statements	89
Consolidated Balance Sheet	92
Consolidated Statement of Profit & Loss	93
Consolidated Cash Flow Statement	94
Notes to the Consolidated Financial Statements	95



MAYUR UNIQUOTERS LTD

Manufacturers of Artificial Leather/PVC Vinyl



BOARD OF DIRECTORS

Suresh Kumar Poddar (DIN : 00022395)
Chairman and Managing Director

Manav Poddar (DIN : 00022407)
Executive Director

Arun Kumar Bagaria (DIN : 00373862)
Executive Director

Rameshwar Pareek (DIN : 00014224) (Ceased on 13.08.2015)
Independent and Non Executive Director

Kanwarjit Singh (DIN : 01657213)
Independent and Non Executive Director

Bajrang Lal Bajaj (DIN : 00041909)
Independent and Non Executive Director

Dr. Tanuja Agarwal (DIN : 00269942)
Independent and Non Executive Director



SECRETARIAL AUDITOR

V. M. & Associates
Company Secretaries
403, Royal World
Sansar Chandra Road
Jaipur - 302 001



STATUTORY AUDITORS

Madhukar Garg & Company
Chartered Accountants
2A, Raj Apartment
Keshav Path, Ahinsa Circle
C-Scheme, Jaipur- 302 001



REGISTRAR & SHARE TRANSFER AGENT

M/s Beetal Financial and Computer Services (P) Limited
'Beetal House' 3rd Floor; 99, Madangir; Behind local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110 062 (India)
Phone No: 91-11-29961281, 29961282, Fax: 91-11-29961284 Email: investor@beetalfinancial.com
Website: www.beetalfinancial.com



PRINCIPAL BANKERS



Registered Office

Village: Jaitpura, Jaipur-Sikar Road, Tehsil: Chomu,
Jaipur- 303 704 (Rajasthan), India
Phone No: 91-1423-224001, Fax: - 91-1423-224420
CIN - L18101RJ1992PLC006952

Correspondence Office

28th, Fourth Floor, Lakshmi Complex, M. I. Road,
Jaipur- 302 001 (Rajasthan), India
Ph. : 91-141-2361132, Fax : 91-141-2365423
Website : www.mayuruniquoters.com

BOARD COMMITTEES

Audit Committee

B.L. Bajaj (Chairman)
Kanwarjit Singh
Tanuja Agarwal
Suresh Kumar Poddar

Nomination and Remuneration Committee

Kanwarjit Singh (Chairman)
B.L. Bajaj
Tanuja Agarwal

Stakeholders Relationship Committee

Tanuja Agarwal (Chairperson)
B.L. Bajaj
Kanwarjit Singh
Suresh Kumar Poddar

Corporate Social Responsibility Committee

Tanuja Agarwal (Chairperson)
Kanwarjit Singh
B.L. Bajaj
Suresh Kumar Poddar



SENIOR MANAGEMENT

Prahalad Sahay Jangid (Ceased on 13.08.2015)
Chief Financial Officer

CA Gumanmal Jain (w.e.f. 13.08.2015)
Chief Financial Officer

CS Nikhil Saxena
Company Secretary and Compliance Officer

Works - Unit I

Four Coating Lines situated at Village: - Jaitpura,
Jaipur- Sikar Road, Tehsil: - Chomu, Jaipur- 303 704
(Rajasthan), India

Works - Unit II

Textile Division, Fifth and Sixth Coating Line situated at
Village : Dhodsar, Khajiroli Link Road
Near Ratan Devi College, Jaipur-Sikar Highway
Tehsil : Chomu, Jaipur (Rajasthan), India



CORPORATE VISION








“

To Be A Preferred Supplier
To The Leading OEMs In The World

”



STEPS TOWARDS ATTAINMENT OF THE CORPORATE VISION

-  Designing our formulations to key customer and segment needs
-  Excellence in operations
-  Continuous upgradation of laboratories
-  Planned investments in R&D
-  Employee involvement through training programs for skill development

**CHAIRMAN STATEMENT**

It gives me immense pleasure to present 23rd Annual Report before all of you. I am very optimistic for the current year, that we will see the government in action taking initiatives for the development of the Country. The Prime Minister of India, consistent with his election promises, and the objective of removing poverty by creating productive jobs in the manufacturing sector. The government is working on the micro level, many changes have been made in the system, rules and regulations so as to promote the industrial development. The Government of India is working on 340 points regime at state and central level, the work is simultaneously going on and I am very optimistic that the impact will be seen in 2017-18. Huge investment is being made in infrastructure creating big employment opportunities, which will make the things turnaround.

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). According to the Economic Survey 2015-16, the Indian economy will continue to grow 7.4 per cent in 2016-17

The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

India was ranked the highest globally in terms of consumer confidence during October-December quarter of 2015, continuing its earlier trend of being ranked the highest during first three quarters of 2015, as per the global consumer confidence index created by Nielsen.

Furthermore, initiatives like Make in India and Digital India, 'Start Up India, Stand Up India' and 'Ease of Doing Business' and projected India as an important destination for manufacturing activity, it will take a while before they translate on the ground will play a vital role in driving the Indian economy.

The year 2015-16 was a year of challenge, the prices of the crude was down substantially, our 80% raw material is based on crude oil. The benefit of reduction in crude prices has been passed on to our customers. The Indian auto industry is one of the largest in the world and is growing at the great pace owing to a growing middle class and a young population. India is also a prominent auto exporter and has strong export growth expectations for the near future. The auto industry produced a total 19.84 million vehicles in April-January 2016, including passenger vehicles, commercial vehicles, three wheelers and two wheelers, as against 19.64 million in April-January 2015. The Government of India encourages foreign investment in the automobile sector and allows 100 per cent FDI under the automatic route. The government is also taking the initiative to promote the automotive industry such as to set up a separate independent Department for Transport, comprising of experts from the automobile sector to resolve issues such as those related to fuel technology, motor body specifications and fuel emissions, apart from exports. Mayur being the leader in the synthetic leather industry has been benefitted a lot with the increasing demand of the synthetic leather from the automotive sector. Mayur

has been focusing on clients requiring higher value added products for high end vehicles viz. M&M, Ford and GM where realizations are much higher than those offered by OEMs that cater to the mass market.

Over the last 4 years, Mayur has added clients such as Ford and Chrysler in the US and is currently in discussions various companies. Exports are expected to grow by FY17E and its current contribution is 26% of Total Sales (Standalone basis).

Mayur has been focusing on the domestic replacement market for automobile seats, a high-growth user segment for the synthetic leather industry, marked by the presence of several unorganized players. However, the trend has been changing with organized players witnessing high growth, and Mayur emerging as a big beneficiary with its segment revenues being the leader in the industry.

Currently, we are in discussion with Automotive giants in USA. We expect a good growth 12-15% in Auto sector; therefore, we are concentrating more and more on Auto Export and Auto Domestic OEM. In the last 4 years Auto replacement has also decent growth, presenting the good opportunity to your company.

In the general export, our first thrust is on adding new geographical areas and we are getting good response. The growth was 13.5% in 2015-16 and expect the similar growth this year inspite of big recession in oil producing countries.

Mayur supplies synthetic leather to footwear segment. Footwear industry was a concern for the synthetic leather manufactures. The emerging market witnessed slow down because of tight money market conditions. Your company has taken cautious approach in supplies to avoid the bad debts. The things have started returning to normalcy and we are expecting this sector to grow by 10-15%. Your Company derives its revenue from the footwear industry serving clients including Bata, Action, Liberty, Relaxo, VKC group, Paragon among others. The domestic footwear market is dominated by unorganized players who account for nearly 65-70% of the total market, with organised players constituting the rest. However, with increasing brand awareness, organised players are seeing industry-leading growth over the past few years.

You, as our shareholders, have shown great faith and belief in what we are doing and that gives us the strength and determination to keep exceeding your expectations. Your Company in financial year 2015-16 has shown the good performance with standalone Profit After Tax (PAT) of Rs.8251.29 lacs i.e. 25.21% over previous year.

During the financial year 2015-2016, the Company has incorporated the wholly owned subsidiary company in the name of Mayur Uniquoters Corp. in Texas, USA to facilitate its export business in abroad.

Your company believes in Corporate Social Responsibility (CSR) and undertaken activities accordingly.

The challenge before the Country inter alia is unemployment. To combat unemployment, we need more industries and create employable youth, for that we have to enhance our education system and skill development. Your company is committed to achieve and had adopted 10 Government Schools in financial year 2015-16 and we plan to adopt at least 50 Government Schools and committed to make these schools as a "Model Schools" under CSR initiatives.

Your company continues to believe in excellence in delivering services seasoned with good business ethics. We target high customer satisfaction, employee satisfaction and maximum revenue generation from all that we undertake. We aim to extract maximum benefit from the business opportunities that we foresee, hand in hand with our trained and skilled team and teamwork.

We look forward for the continuing support and encouragement from all our stakeholders, bankers, customers, vendors, employees, government authorities and all those who directly or indirectly helped us to achieve our goals. In the end, I would like to thank the Mayur team for their determination and hard work to take the company to soaring new heights.

Thanks and Jai Hind

Best Regards,

Suresh Kumar Poddar

Chairman and Managing Director

DIN :-00022395

Jaipur, 27th May, 2016



BOARD OF DIRECTORS



Mr. Suresh Kumar Poddar (69 years) is a B.Sc. (Science Graduate) Chairman and Managing Director is widely recognized for his path breaking and visionary contributions made to the Indian synthetic leather industry. His excellent entrepreneurial skills has made Mayur Uniquoters Limited, is the largest manufacturer of synthetic leather and the producer from India supplying to North American Automotive majors.

Mr. Poddar has invested time and money in people, technology and processes to create an efficient and progressive organization with a total production capacity of over 3.05 million linear meters per month making Mayur one of the largest manufacturer of Artificial Leather/ PVC Vinyl in India. Mr. Suresh Kumar Poddar holds 1,56,87,324 (33.90% of total shares) in the Company as on March 31, 2016.

Manav Poddar (41 years) is a Commerce Graduate, erstwhile associated with the Company for the 12 years have played a significant role in the success of the Company. The Management after looking at his past performance and contribution have again been appointed him as an Additional Director w.e.f. 09.06.2016. He brings many different meanings to the word success, and is iconized in the organization. He has taken Mayur Uniquoters Limited from being a promising player in the artificial leather industry to an international corporate organization to reckon with. His focus is on Quality Management and Human Capital Development. He is a Strategic Management Personnel and a key member of the Board and holds 72,65,912 shares (15.70% of total shares) in the Company as on March 31, 2016.



Mr. Arun Kumar Bagaria (43 years) is a Commerce graduate and is MBA from University of Strathclyde Graduate Business School, UK. He had joined the Board of Mayur in June, 2007 and was appointed as Executive Director in August, 2007 and since then he continues to be on the Board of Company. His rich experience and contribution has enabled Mayur Uniquoters Limited to scale to new heights year after year. He is the Strategic Management Personnel and a key member of the Board. Mr. Bagaria holds 5,50,000 Equity Shares (1.19 % of total shares) in the Company as on March 31, 2016.



INDEPENDENT DIRECTORS



Mr. Kanwarjit Singh (75 years) is a M.Sc. in Mathematics (Delhi) and in Fiscal studies (Bath University, UK). He is 1965 batch of IRS. His last posting was as CCIT, Rajasthan. Mr. Singh worked in PSB for three years, as General Manager and in a PSU as Ex-Director for five years. Currently, he is on the Board of CJ International Hotel Limited.

He has conducted a number of studies with faculty member of NIPFP, he was also the Convener of the High Powered Committee set up by the CBDT to examine direct tax issue of e-commerce.

Mr. Singh worked as tax advisor to Punjab National Bank and Central Bank of India and as lead consultant for a baseline survey on corruption in Zimbabwe & also as the project Director with NIIT at various times.

Mr. Singh has also served as an Independent External Monitor in BHEL and as consultant, under an ADB project on State Financial Reforms.

Mr. Kanwarjit Singh does not hold any shares of the Company.

Mr. B. L. Bajaj (50 years) is a fellow Chartered Accountant, Fellow Company Secretary and Fellow Member of Indian Management Association, Co-founder and Managing Director of Dynamics Orbits (DO). With his rich experience in corporate finance, cross border business development, M&A & general management, he offers advisory services to Indian as well as global corporate looking for merger / acquisitions / JVs and cross border business development.

Mr. B. L. Bajaj has around 23 years of experience in various industries including automobile, chemicals, textiles, power, IT services, international business and investment banking. He has been the Director of business development with Swiss MNC, Ciba Specialty Chemicals. He is active in several industry associations and a regular speaker at leading global and Indian events, widely covered by Indian media for his professional achievements. Mr. B. L. Bajaj does not hold any shares of the Company.

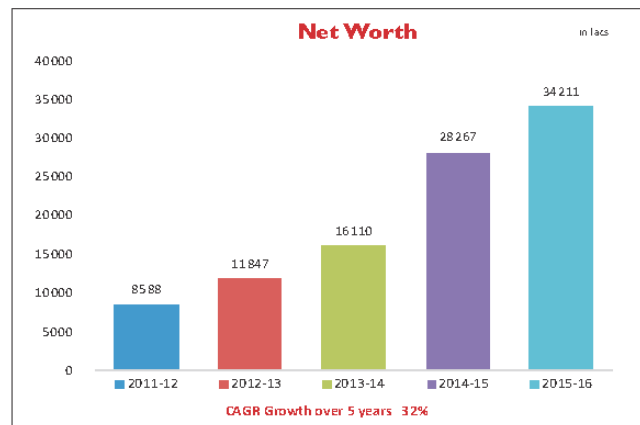
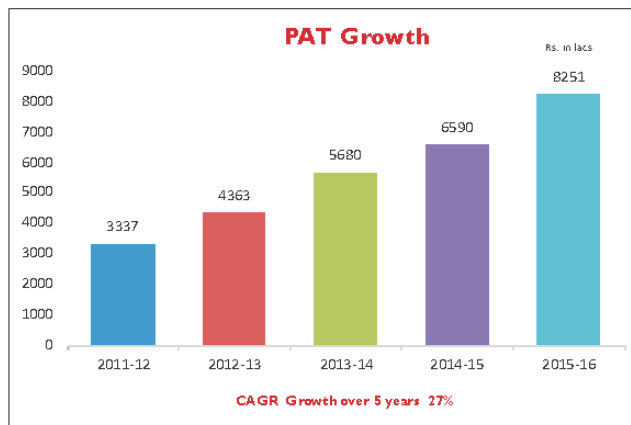
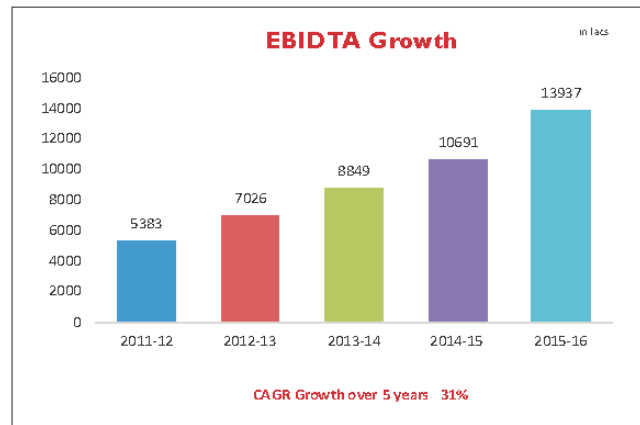
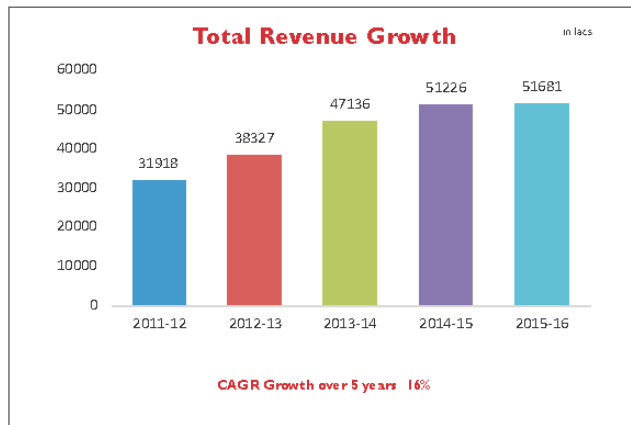


Mrs. Tanuja Agarwal (57 years) is a B.A. Hons. (Psychology), from St. Xavier's College, Mumbai. Partner in Ratan Das Gupta & Co. and devoted to social work. Past President of Inner Wheel Club, Jaipur Main and Janhit Sansthan. Associated with Concerned Citizen, an NGO associated with WHO for spreading AIDS awareness through lectures among school teenagers. Member of S.M.S. Medical College, Jaipur Anti-Ragging Committees and Animal Rights Commission.

Mrs. Tanuja Agarwal does not hold any shares of the Company.



FIVE YEARS FINANCIAL SUMMARY



GLOBAL FOOTPRINT : CUSTOMER BASE

