

TWENTY SEVENTH (27TH) ANNUAL REPORT 2011 -2012



Being ahead of time



MAYUR LEATHER PRODUCTS LTD.

ISO 9001:2008 Certified Star Export House



MAYUR LEATHER PRODUCTS LTD.

<p>BOARD OF DIRECTORS Shri R.K. Poddar- Director Shri Rajesh V. Gupta -Director Shri K.D. Agarwal- Director Smt. Amita Poddar- Director</p>	<p>INTERNAL AUDITORS Verma Prashant & Associates C-225, Gyan Marg, Tilak Nagar, Jaipur – 302 004</p>																									
<p>CHIEF FINANCIAL OFFICER Shri Rajendra Tripathi</p>	<p>CORPORATE ADVISOR V. M. & Associates, Company Secretaries, 403, Royal World, S.C. Road, Jaipur – 302 001</p>																									
<p>COMPLIANCE OFFICER Shri Nitesh Kumar Kumawat</p>	<p>VENUE G-60-62 & 67-69, Jaitpura Industrial Estate, Jaitpura- 303704, Jaipur (Raj.) Dated: Saturday, the 28th July 2012 at 03:30 P.M.</p>																									
<p>PRINCIPAL BANKER Canara Bank Overseas Branch, 8, Bhagat Bhawan, M.I. Road, Jaipur – 302 001</p>	<p>AUDITORS Madhukar Garg & Co. Chartered Accountants K-2-B, II Floor, Raj Apartment, Keshav Path, C- Scheme, Jaipur – 302 001</p>																									
<p>REGISTERED OFFICE & WORKS 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 : mlp@mayurleather.com</p>	<p>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.</p> <table border="1" data-bbox="962 1510 1603 2027"> <thead> <tr> <th data-bbox="962 1510 1464 1556">CONTENTS</th> <th data-bbox="1464 1510 1603 1556">Page No.</th> </tr> </thead> <tbody> <tr> <td data-bbox="962 1556 1464 1602">Notice</td> <td data-bbox="1464 1556 1603 1602">1</td> </tr> <tr> <td data-bbox="962 1602 1464 1648">Director's Report</td> <td data-bbox="1464 1602 1603 1648">5</td> </tr> <tr> <td data-bbox="962 1648 1464 1694">Corporate Governance Report</td> <td data-bbox="1464 1648 1603 1694">12</td> </tr> <tr> <td data-bbox="962 1694 1464 1740">Management Discussion & Analysis Report</td> <td data-bbox="1464 1694 1603 1740">22</td> </tr> <tr> <td data-bbox="962 1740 1464 1786">Auditor's Report on corporate governance</td> <td data-bbox="1464 1740 1603 1786">25</td> </tr> <tr> <td data-bbox="962 1786 1464 1832">Compliance Certificate</td> <td data-bbox="1464 1786 1603 1832">26</td> </tr> <tr> <td data-bbox="962 1832 1464 1878">Auditor's Report</td> <td data-bbox="1464 1832 1603 1878">29</td> </tr> <tr> <td data-bbox="962 1878 1464 1924">Balance Sheet</td> <td data-bbox="1464 1878 1603 1924">35</td> </tr> <tr> <td data-bbox="962 1924 1464 1969">Profit & Loss A/c</td> <td data-bbox="1464 1924 1603 1969">36</td> </tr> <tr> <td data-bbox="962 1969 1464 2015">Notes on Accounts</td> <td data-bbox="1464 1969 1603 2015">37</td> </tr> <tr> <td data-bbox="962 2015 1464 2027">Cash Flow Statement</td> <td data-bbox="1464 2015 1603 2027">62</td> </tr> </tbody> </table>		CONTENTS	Page No.	Notice	1	Director's Report	5	Corporate Governance Report	12	Management Discussion & Analysis Report	22	Auditor's Report on corporate governance	25	Compliance Certificate	26	Auditor's Report	29	Balance Sheet	35	Profit & Loss A/c	36	Notes on Accounts	37	Cash Flow Statement	62
CONTENTS	Page No.																									
Notice	1																									
Director's Report	5																									
Corporate Governance Report	12																									
Management Discussion & Analysis Report	22																									
Auditor's Report on corporate governance	25																									
Compliance Certificate	26																									
Auditor's Report	29																									
Balance Sheet	35																									
Profit & Loss A/c	36																									
Notes on Accounts	37																									
Cash Flow Statement	62																									
<p>CORRESPONDENCE OFFICE B-5, Vrindavan Apartments, Vrindavan Vihar, King's Road, Jaipur – 302 019, Rajasthan Ph: 91-99289 11947 Fax: 91-141-2810385</p>																										
<p>REGISTRAR & TRANSFER AGENT Link Intime India Pvt. Ltd. A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi –110 028 Ph: 91-1141410592-94/ Fax: 91-11-41410591 e-mail: delhi@linkintime.co.in</p>																										



MAYUR LEATHER PRODUCTS LTD.

NOTICE OF MEETING

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of **MAYUR LEATHER PRODUCTS LIMITED** will be held on Saturday, the 28th day of July, 2012 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, 2012 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 declare Dividend on Equity Shares of the Company for the year 2011-12.
3. To appoint a Director in place of Shri R.K. Poddar, who retires by rotation and being eligible, offers him-self for re-appointment.
4. To appoint the Auditors 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 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 shall be fixed by the Board of Directors."

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."

By Order of the Board

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

**PLACE: JAIPUR
DATE : 30.05.2012**



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. 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.**
2. The register of members and share transfer books of the Company will remain closed from 26th July, 2012, to 28th July, 2012 (both days inclusive).
3. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
4. In Terms of Article 89 of the Article of Association of the Company, read with Section 256 of the Companies Act, 1956, Shri R.K. Poddar, 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, commend his re-appointment.
5. The dividend as recommended by the Board, if sanctioned at the meeting, will be paid to those members whose names appear on the Company's Register of Members on 28th 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.
6. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial years ended 31st March 2005, 31st March 2006, 31st March 2007, 31st March 2008, 31st March, 2009, 31st March, 2010 & 31st March, 2011 which remains unclaimed for a period of 7 years from the date of transfer of the same will be transferred by the Company to the **Investor Education and Protection Fund (IEPF)** established by the Central Government pursuant to Section 205C of the Companies Act, 1956, in the years 2012-2013, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 & 2018-19 respectively.

Shareholders who have not so far en-cashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company immediately. **Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.**
7. 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.
8. 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 keep the information ready.
9. Members are requested to bring the following with them at the Annual General Meeting:
 - a) Copy of the Annual Report.



MAYUR LEATHER PRODUCTS LTD.

- 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.
10. 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.
11. 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, 2nd 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.
12. 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.
13. The details pertaining to director seeking re-appointment, as required to be provided pursuant to clause 49 of the Listing Agreement are furnished in the Corporate Governance Report published elsewhere in this report.
14. 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.
15. 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.

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



MAYUR LEATHER PRODUCTS LTD.

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.

By Order of the Board

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

**PLACE: JAIPUR
DATE : 30.05.2012**

ANNEXURE TO THE AGM NOTICE

Details of Director seeking re - appointment at the 27th Annual General Meeting as per Clause 49 of the Listing Agreement

Shri R.K. Poddar is retiring by rotation at the date of ensuing Annual General Meeting and being eligible offers himself for re-appointment. He is qualified as B.Com(Hons)

Presently, he is also Chairman of Audit Committee of the Board of Directors.

Details of Shri R.K. Poddar, Director of the Company are as follows:

Name of the Director	Shri R.K. Poddar
Date of Birth	03/03/1955
Date of Appointment	17/06/1987
Qualification(s)	B.Com(Hons)
Name of the Companies in which directorship held as on 31.03.2012	MAYUR ABODES LIMITED
Member of the Committee of Board of other companies	NIL
No. of Shares held in the Company	943643



MAYUR LEATHER PRODUCTS LTD.

DIRECTOR'S REPORT

To the Members

Your Directors have pleasure in presenting the Twenty Seventh Annual Report of your Company along with Audited Annual Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

The financial performance of the Company for the year ended on 31st March, 2012 is as follows:

Particulars	31.03.2012	31.03.2011
Turnover (FOB)	1896.63	1820.08
Other Income	269.89	273.61
Less: Total Expenditure	2072.68	2005.11
Interest	39.06	24.72
Depreciation	46.35	55.16
Profit before Tax & extra-ordinary items	8.43	8.70
Add/Less: Extra Ordinary Items	-	-
Profit before Tax	8.42	8.70
Less: Provision for Current Tax	7.11	1.00
Provision for FBT	-	-
Provision for Deferred Tax	-	1.14
Add: old provision for tax written back	-	2.11
Deferred tax written back	3.87	-
Less: Income tax for earlier years	-	-
Net Profit/ (Loss) after Tax for the year	5.19	8.67
Profit/ (Loss) brought forward	757.73	792.35
Profit available for appropriation	762.92	801.02
<u>Appropriations:</u>		
Proposed dividend on equity shares	24.17	36.26
Tax on proposed dividend	4.02	6.03
Transfer to general reserve	1.00	1.00
Balance carried forward	733.73	757.73

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.



MAYUR LEATHER PRODUCTS LTD.

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
2009 - 10	Rs. 1574.26 Lacs	Rs. 52.62 Lacs	Rs. 1626.88 Lacs
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

In order to increase our market share to offset the decline in export, the Company has taken various steps, major of them are follows:

a. In collaboration with M/s UVEX our German buyers: European union is under recession. We are trying to stabilize our turnover and increase our customer base.

b. 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.

c. Development is on for new customers in Oman and Qatar to nullify reduction due to recession in middle east.

d. 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.

This year 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. Efforts are on to increase local market hence to supplement decrease in export market.

With reference to the above steps taken by the Company, the Company is confident of recovering the lost ground due to the recession in Europe.

However, there is one uncertainty in export business and that is the status of EURO. At the moment, it is very volatile and has decreased as compared with US Dollar from 1.45 to 1.30. Exchange rate is difficult to predict, but it is a global phenomena and both the exporters and the importers in Europe will have to find a solution to it.

We have also gone in for diversification. The idea is to expand business areas and for the purpose of the same the Company entered into business related to hotels, restaurants by altering the Object Clause of Memorandum of Association of the Company.

Our first foray into hospitality has been setting up of two restaurants and a Banquet hall in the Centre of the City. Although this has initially resulted a capital expenditure and additional revenue expenditure resulting decrease in overall profits of company. In the long run, we also intend to diversify into this line in a big way.

There has been very good response from the general public towards our restaurant '**STREETS**' and our Banquet hall at the same premises. Our second restaurant '**SPICES N SAUCES**' is just about



MAYUR LEATHER PRODUCTS LTD.

ready to take off.

RESERVES

For the period under review the Board proposes to transfer Rs.1.00 lacs to General Reserve Account of the Company.

DIVIDEND

The Board of Directors is pleased to recommend a dividend of Rs. 0.50 per equity share of Rs. 10/- each, for the year 2011-12, subject to approval of Shareholders in the Annual General Meeting. The total outgo on account of dividend payment, including dividend tax, is Rs. 28.29 Lacs.

FIXED DEPOSITS

The Company has not accepted or renewed any fixed deposits from public during the year.

DIRECTORS

Shri R. K. Poddar, Chairman cum Managing Director of the Company informed the Board that due to some pre- occupations, he would like to resign from the post of Managing director of the Company. However this resignation will not affect his directorship in the Company.

Shri R.K.Poddar, Director, retires by rotation in terms of provisions of Companies Act, 1956 and Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS

M/s. Madhukar Garg & Co., Chartered Accountants, Statutory Auditors of the Company holds office until the conclusion of the forthcoming Annual General Meeting and is eligible for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. Accordingly, the said Auditors are proposed to be re-appointed as auditors of the Company for the financial year 2012-2013 at the ensuing Annual General Meeting. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

HUMAN RESOURCE DEVELOPMENT

The Company recognizes that its employees are its principal assets and that it's continued growth is dependent upon the ability to attract and retain quality people. The Company also recognizes the importance of providing training and development opportunities to its people to enhance their skills and experiences, which in turn enables the company to achieve its business objectives. The morale of employees continued to remain high during the year contributing positively to the progress of the Company.

However due to recession in the global market, our turnover and profitability had reduced considerably.

On the other hand due to high inflation especially in food items, the labour scenario had become very volatile as they expected abnormally high increment which was not possible. Giving the economic scenario, this led to an effort to introduce unionism by a section of workers.



MAYUR LEATHER PRODUCTS LTD.

The management took a strong decision to reduce production capacities in the Jaitpura plant and created a separate production facility at Sitapura.

This was done to minimize dependability on the existing labour force at Jaitpura.

It paid results and we got a larger section of the work force to agree on creation of an internal association of staff and workers and negotiated a more reasonable increment structure. Thereby sidelining certain unreasonable self-profound leader among the workers, the company worked on offering a retirement compensation scheme for those who wished to leave. This would reduce cost of labour which had become redundant due to decrease in turnover, as such reduced productivity.

42 employees offered to resign by accepting the scheme. This cost the Company Rs.44.05 Lacs outflow as gratuity and additional compensation.

However discipline has returned with the removal of undesired elements in the work force. Production is now running smoothly in both the units.

DELISTING OF EQUITY SHARES

The members have passed a special resolution in the Annual General Meeting held on 10.07.2004 permitting the Company to delist its shares from the stock exchanges of Delhi, Kolkata, Ahmedabad and Jaipur. As on date, out of the four exchanges, the equity shares of the Company have been delisted from the Delhi, Ahmedabad and Jaipur Stock Exchanges. Delisting application of the Company is still pending with the Calcutta Stock Exchange Association Ltd., Kolkata since December 2004. In spite of several reminders, the Company did not get any response from the exchange in the matter of the delisting status.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

On 1st October, 2010, "Mayur Abodes Private Limited" became the subsidiary of the Company by acquiring 97.56% holding. The company has converted its name to mayur abodes limited. In current year there are only 66.27% holding in this company.

As required under the Listing agreement with the stock exchange, a consolidated financial statement of the Company and its subsidiary "Mayur Abodes Limited" is attached.

The Board periodically reviews the working and performance of its subsidiary Company.

The Company will make available the Annual Accounts of the subsidiary company and the related detailed information to any member of the company who may be interested in obtaining the same. The Consolidated Financial statements presented by the Company include financial results of its subsidiary also.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed discussion on the industrial structure, development, opportunities, threats, review of operational performance and risks, as required under the Listing Agreements with stock exchanges, forms part of this report and is annexed herewith.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:



MAYUR LEATHER PRODUCTS LTD.

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, your Directors confirmed that:

- 1. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there are no material departures;**
- 2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the State of Affairs of the Company for the financial year ended 31st March 2012 and of profit/Loss of the Company for that year;**
- 3. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate Accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;**
- 4. they have prepared the Annual Accounts on a 'going concern' basis.**

PARTICULARS OF EMPLOYEES

There are no employees in the Company whose particulars are required to be disclosed under the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, from time to time.

COMPLIANCE CERTIFICATE

As per the requirements of Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules, 2001, the Company has obtained a Certificate from M/s V. M. & Associates, Company Secretaries in Whole-time Practice, confirming that the Company has complied with the provisions of the Companies Act, 1956 and a copy of the Compliance Certificate is annexed to this report.

The appointment of M/s V.M. & Associates, Company Secretaries in Whole-time Practice, is also sought, for the year 2012-13, given in the notice.

CORPORATE GOVERNANCE

The Company considers Corporate Governance as an important step towards building investor confidence, improve investor's protection and maximize long term shareholder value. It has implemented all the provisions of the Corporate Governance as stipulated under Clause 49 of the listing agreements with all the stock exchanges, where the Company is listed except for the requirement pertaining to the Board/ Committee structure. The Company is working rigorously to broad base its Board with aptly qualified and experienced personnel who along with fulfilling the stipulations of the clause 49 can also provide valuable support and input for the growth of the Company. We are hopeful to make necessary appointments shortly. It has always been a constant endeavor of the Company to adopt good corporate governance code through independent Board, transparent disclosures and shareholders empowerment for creating and sustaining shareholder value. A separate section on Corporate Governance along with a certificate from the Auditors of the Company, certifying compliance of stipulations of Clause 49 of listing agreements with the stock exchanges with regards to the Corporate Governance code is present elsewhere.



MAYUR LEATHER PRODUCTS LTD.

CONSERVATION OF ENERGY

The Company has taken various steps to reduce consumption of power, fuel, oil and other energy resources. The Company regularly takes advice from experts on energy conservation measures to be adopted. Regular studies are undertaken for assessing the possibilities of use of various methods by which the Company optimizes the use of energy without effecting the productivity, quality etc. Training programs are conducted to increase awareness on energy saving. As already mentioned, the efforts of the Company have already started showing results as the power, fuel and water expenses have been reduced for the year under review. This reduction has been achieved despite of escalating power and fuel prices.

RESEARCH & DEVELOPMENT / TECHNOLOGY ABSORPTION

Company continued to give utmost importance to the R&D activities. The Company has its own in-house well-developed Research and Development division. The objective of the Company through continuous Research and Development activities is the introduction of cost effective, state-of-art-products with enhanced life and to increase the production capacity. The Company's Laboratory and R&D division is continuously working towards new developments and keeps pace with the latest developments in high tech areas.

FOREIGN EXCHANGE EARNING AND OUTGO

Activities relating to exports; initiatives taken to increase exports, development of new export markets for product and services; and export plans:

The Company is engaged in the manufacture and export of leather safety shoes and shoe uppers. The majority sale is through exports. Due to the economic slow down, the export market of the regular products has been badly affected. This is being countered by two activities: -

- A. Realign fresh business from existing customers with new products.
- B. Develop an Indian Market network.

Hopefully the results should start showing with in the next six months. It is our endeavor to fight the worldwide recession.

Earning:		
Export (FOB)		1696.27
Outgo:		
Travelling expenses	3.08	
Claim & compensation for quality & Development	5.63	
Raw material	212.19	
Sales Commission	6.38	
Repairs & Maintenance	0.35	
Plant & machinery	19.42	
Membership Fees	1.64	
Testing fees	0.71	
Royalty	1.64	251.04



MAYUR LEATHER PRODUCTS LTD.

ACKNOWLEDGEMENT

The Board of Directors place on record their appreciation for the assistance and cooperation received from the Financial institutions, banks, government and local authorities for their strong support and valuable guidance. The directors are thankful to the shareholders for their continuing support to the Company. Your directors also wish to place on record their deep sense of appreciation for the devoted services of the executives, staff and workers of the Company for its success.

For and on behalf of the Board of Directors

PLACE : Jaipur
DATE : 30.05.2012

Sd/-
R.K. Poddar
Director

Sd/-
Amita Poddar
Director



MAYUR LEATHER PRODUCTS LTD.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organization most effectively. Corporate Governance signifies acceptance by management of the inalienable rights of shareholders as true owners of the organization and of their own role as trustees on behalf of the shareholders. At Mayur Leather Products Limited our employees and shareholders satisfaction take the highest place, employees satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity. Mayur Leather Products Ltd. is committed to the highest standards of Corporate Governance in all its activities and processes. It has always believed that an independent and diversified Board following best practices, transparent disclosures and empowerment of shareholders are as necessary as solid financial results for creating and sustaining shareholder's value. The Company fully recognizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company strives for the fullest possible disclosure standards. It provides detailed information on various issues concerning the Company's business and financial performance to its shareholders. The Board of the Company acts with autonomy and independence in exercising strategic supervision, discharging its fiduciary responsibilities and in ensuring that the management observes high standards of ethics, transparency and disclosure.

Corporate Governance is a Journey for constantly improving sustainable value creation and is an upward moving target. The Company has always ensured that all the provisions of Corporate Governance as stipulated under Clause 49 of the Listing Agreements with all the Stock Exchanges where the Company is listed are complied with the utmost perfection, with the exception of its board composition. It is not that the Company is overlooking this important requirement of the Listing Agreement, infact the Company is always on the look out for qualified and experienced personnel who could come and join the Board of the Company to make the Company grow even stronger with all their wisdom and the experience which shall also help the Company in fulfilling the stipulations of the clause. The Company is confident of making the necessary additions to its board shortly.

BOARD OF DIRECTORS

Board Procedure

The members of the Board are provided with the requisite information mentioned in the Listing Agreements well before the Board meetings.

The Board considers all the matters, which are statutorily required to be considered by it in addition, following issues are also discussed at the meetings of the Board:

- Annual operating and capital expenditure budgets and periodical review thereof.
- Investment /expansion /modernization /diversification plans of the Company.
- Overall strategy and business plans.
- Approval of quarterly / half-yearly / annual results (after review by Audit Committee).
- Compliance with statutory / regulatory requirements and review of major pending legal cases.
- Major accounting practices, provisions and write-offs.
- Transactions pertaining to acquisition /disposal of fixed assets /related party transactions.
- Review of working of various committees of the Board.



MAYUR LEATHER PRODUCTS LTD.

- Significant labour problems, if any.

All the Directors, who are members of the various committees, are within the limits prescribed in the Listing Agreements. The Directors have intimated, from time to time, about their directorship / membership of committees in other Companies.

Details of Shareholding of Directors as on 31st March, 2012 :

Sr. No.	Name of Director	Number of shares
1.	Rajendra Kumar Poddar	9,43,643
2.	Shri Keshav Deo Agarwal	1,07,500
3.	Shri Rajesh V. Gupta	4,28,300
4.	Smt. Amita Poddar	5,58,100

The Company has not issued any shares / debentures during the year.

Composition

The Board of Directors presently consists of four Directors. The composition and category of Directors is as follows:

Category	Name of Directors	DIN
Promoter/ Executive Director	Shri Rajendra Kumar Poddar	00143571
Non-Executive Directors	Shri Keshav Deo Agarwal	00172149
	Shri Rajesh V. Gupta	00814841
	Smt. Amita Poddar	00143486

Board Meetings

As per the statutory provisions the Board is required to meet at last once every quarter and minimum 4 times in a year with the time gap between two consecutive meetings not exceeding four months. As against this, during the period under review the Board held 5 (Five) meetings on 07.05.2011, 10.08.2011, 31.08.2011, 31.10.2011 and 13.02.2012 to consider amongst other business, the quarterly / annual performance of the Company and its financial results.

Attendance particulars of Board Meeting, Annual General Meeting and Committee Memberships

Name of Director	Attendance Particulars		No. of Directorship and Committee membership/ Chairmanship in other Public Cos.		
	Board Meetings	Last AGM	Total outside Directorship	Committee Membership	Committee Chairman
1. Shri R.K. Poddar	5/5	Present	1	Nil	Nil
2. Shri Rajesh V. Gupta	5/5	Absent	2	Nil	Nil
3. Smt Amita Poddar	5/5	Present	Nil	Nil	Nil
4. Shri K.D. Agarwal	5/5	Present	Nil	Nil	Nil



MAYUR LEATHER PRODUCTS LTD.

BOARD COMMITTEES

1. AUDIT COMMITTEE

The Audit Committee has been constituted as per the Section 292A of the Companies Act, 1956 and the guidelines of the Listing Agreement with the stock Exchanges. The Terms of reference of Audit Committee include, to:

- ↓ Effectively supervise the financial reporting process.
- ↓ Review the quarterly and annual financial results before placing them before the Board.
- ↓ Hold discussions with Statutory Auditors on the nature and scope of audits.
- ↓ Ensure compliance with accounting standards and listing requirements concerning financial statements.
- ↓ Review the adequacy of internal controls in the Company including the plan.
- ↓ Recommend the appointment and removal of Statutory Auditors and their fees and approval for payment for any other services.
- ↓ Reviewing the Company's financial and risk management policies.
- ↓ Review the functioning of the Whistle Blower mechanism.
- ↓ Approving the internal Audit plan and reviewing the efficacy of the function.

Composition and Attendance

Name of the Member	Meetings Attended
Shri K.D. Agarwal (Chairman)	5
Shri Rajesh V. Gupta (Member)	5
Smt. Amita Poddar (Member)	5

The Statutory Auditors, Internal Auditors, Chief Financial Officer & Compliance officer are invited to attend and participate in the meetings of the Committee.

Meetings of the Audit Committee

During the period under review the Committee met 5 (Five) times on 07.05.2011, 10.08.2011, 31.08.2011, 31.10.2011 & 13.02.2012

2. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee has been constituted as per the provisions set out in the Listing Agreement. The Terms of reference include, to:

- ↓ Approve transfers, transmissions, issue of duplicate certificates, transposition, change of names, etc. and to do all such acts, deeds, matters and things as connected therein.
- ↓ Review complaints of the shareholders and the action taken by the Company.
- ↓ Take note of the Quarterly Secretarial Audit Report and half yearly Compliance Certificate under Clause 47 of the Listing Agreement.

Composition and attendance

Name	Meetings Attended
Smt. Amita Poddar (Chairperson)	4/4
Shri R.K. Poddar (Member)	4/4
Shri K. D. Agarwal (Member)	4/4



MAYUR LEATHER PRODUCTS LTD.

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent / issues resolved usually within 15 days.

During the year the Company received a total of nil complaints from the shareholders. There were no pending complaint or share transfer cases as on 31st March 2012, as per the certificate given by RTA.

Shri Nitesh Kumar Kumawat acts as the Compliance Officer of the Committee.

Meetings of the Shareholders / Investor Grievance Committee

During the period under review the Committee met 4 (four) times on 07.05.2011, 10.08.2011, 31.10.2011 & 13.02.2012.

3. REMUNERATION COMMITTEE

The Remuneration Committee has been constituted as per the provisions set out in the Listing Agreement. The terms of reference include the following:

- ↓ To review, assess and recommend to the Board the remuneration for appointment / re-appointment of executive and non-executive Directors and compensation payable.
- ↓ To consider and recommend human resource policies relating to compensation and performance management.

Composition and Attendance

Name	Meetings Attended
Shri Rajesh V. Gupta (Chairman)	1/1
Shri K. D. Agarwal (Member)	1/1
Smt. Amita Poddar (Member)	1/1

Meeting of Remuneration Committee

During the period only one meeting was conducted by the Committee on 10.08.2011

Remuneration of Directors

The non-executive Directors do not draw any remuneration including the sitting fee. The details of the remuneration of the Director (Executive) for the financial year 2011-2012 are as under:

Name	Salary	Contribution To PF	Leave Encashment	Bonus	LTA	Total
Shri R.K. Podar	6,87,290	82,475	75,967	3,77,458		12,23,190

Shareholding of Non-Executive Directors as on 31st March, 2012

Name	No. of Shares	%age
1. Shri Rajesh V. Gupta	428300	8.86
2. Shri K. D. Agarwal	107500	2.22
3. Smt. Amita Poddar	558100	11.54



MAYUR LEATHER PRODUCTS LTD.

COMPLIANCES REGARDING INSIDER TRADING

Comprehensive guidelines in accordance with the SEBI regulations are in place. The code of Conduct and corporate disclosure practices framed by the company have helped in ensuring compliance with the requirements.

GENERAL BODY MEETINGS

Details of last 3 Annual General Meetings were as under:

Year	Date	Day	Time	Venue	Special Resolution Passed
2009	12.08.2009	Wednesday	11.00 A.M	G-60-62 & 67 -69, Jaitpura Industrial Estate, Jaitpura, Jaipur - 303704.	Re-appointment of Shri R. K. Poddar, Managing Director of the Company for a period of 5 years w.e.f 12 th September, 2009.
2010	17.07.2010	Saturday	11.00 A.M	G-60-62 & 67 -69, Jaitpura Industrial Estate, Jaitpura, Jaipur - 303704.	None
2011	28.09.2011	Wednesday	03:30 P.M.	G-60-62 & 67 -69, Jaitpura Industrial Estate, Jaitpura, Jaipur - 303704.	None

EXTRA-ORDINARY GENERAL MEETING

No Extra-Ordinary General Meeting was held during the year.

CODE OF CONDUCT

All Directors and Senior Management Personnel of the Company have affirmed compliance with the provisions of the code of conduct for the financial year ended on March 31st, 2012.

UNCLAIMED DIVIDEND

Shareholders who have not encashed their dividend warrants are requested to claim such dividend. The dividend, if unclaimed /unpaid for 7 years will be transferred by the Company to Investors Education and Protection Fund (IEPF). It may be noted that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof. Dividends remain unpaid / Unclaimed for the year ended 31st March, 2005 will be transferred to IEPF in the current financial year.

CEO & CFO CERTIFICATE

Certificate from CEO & CFO for the financial year ended on March 31, 2012 has been annexed to the Annual Report.



MAYUR LEATHER PRODUCTS LTD.

DISCLOSURES

- ↓ **Related Party Transactions:** The Company has entered into transaction with its subsidiary company but this is not of material nature and not have potential conflict with the interest of company beside this the company has not entered into any transactions of material nature with the promoters, directors or the management or relatives, etc. that may have potential conflict with the interest of the Company at large.

- ↓ **Disclosure of Compliances by the Company:** During the last three years, no penalties or strictures have been imposed on the Company by the stock exchanges or SEBI or any other statutory authorities on matters related to capital market.

- ↓ **Remuneration Committee:** The Company has constituted Remuneration Committee.

- ↓ **Shareholders' Rights:** The quarterly Financial Results are published in the newspapers as mentioned under the heading "Means of Communication".

- ↓ **Audit Qualifications:** There are no qualifications in the Company's Financial Statements for the year under reference.

- ↓ **Whistle Blower Policy:** The Company has established necessary mechanism in line with requirement given under Clause 49 of Listing Agreement for employees to report concerns about unethical behavior. No personnel has been denied access to the audit committee.

MEANS OF COMMUNICATION

- a. The Company regularly furnishes /intimates un-audited as well as audited financial results to the stock exchanges immediately after these are taken on record by the Board. The quarterly and half-yearly un-audited financial results and the annual a u d i t e d financial results are also published by the Company in one English leading national newspaper i.e. Financial Express and one Hindi newspaper of repute circulated widely in the regional language of the state i.e. Samachar Jagat. As such the half-yearly and quarterly results are not sent to shareholders individually. As the Company publishes the audited annual results within a stipulated period of 60 days from the close of the financial year, the un-audited results for the last quarter are not published in the newspapers. All price sensitive information is made available at the earliest through newspapers and intimated to the stock exchanges for public dissemination.

- b. Management Discussion and Analysis Report forms part of the Report of Directors.

Compliance of mandatory and non mandatory requirements under clause 49

Mandatory:-

The company has complied with all the mandatory requirements of clause 49 of the listing agreement.

Non Mandatory:-

The company has also complied with the non mandatory requirements as under:-



MAYUR LEATHER PRODUCTS LTD.

1. Remuneration Committee

The company has a remuneration committee known as the remuneration committee. A detailed note on this is provided elsewhere in the annual report.

2. Whistle blower policy

The company has adopted whistle blower policy. This policy is to enable its employees to report to the management their concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or any other policy. This mechanism provides safeguards against victimization of employees, who avail of the mechanism. This policy has been appropriately communicated to the employees within the organization.

3. Audit qualifications

There are no qualifications in the financial statements of the company for the year 2011-12.

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting
 - Day, date & time : Saturday, 28th July, 2012 at 03:30 P.M
 - Venue : G-60-62 & 67 -69, Jaitpura Industrial Estate, Jaitpura – 303704 Jaipur
2. Financial Calendar (Tentative)
 - Result for the qtr ending June 30, 2012 : Within 45 days from end of quarter.
 - Result for the qtr ending Sept 30, 2012 : Within 45 days from end of quarter.
 - Result for the qtr ending Dec 31, 2012 : Within 45 days from end of quarter.
 - Result for the qtr ending Mar 31, 2013 : Within 60 days from end of quarter of the financial year (Audited)..
4. Dividend Payment date : On or after 31st July, 2012
5. Listing of Equity Shares in Stock Exchanges : Bombay Stock Exchange Limited (BSE).
The Company has duly paid the listing fee for the year 2012-2013 to Bombay Stock Exchange Limited.
6. Demat ISIN exchange number in NSDL & CDSL for Equity Shares : INE799E01011
7. Stock Code (BSE) : 531680
8. Corporate Identification Number (CIN) allotted by the Ministry of Corporate Affairs : L19129RJ1987PLC003889
9. Market Price Data (BSE):

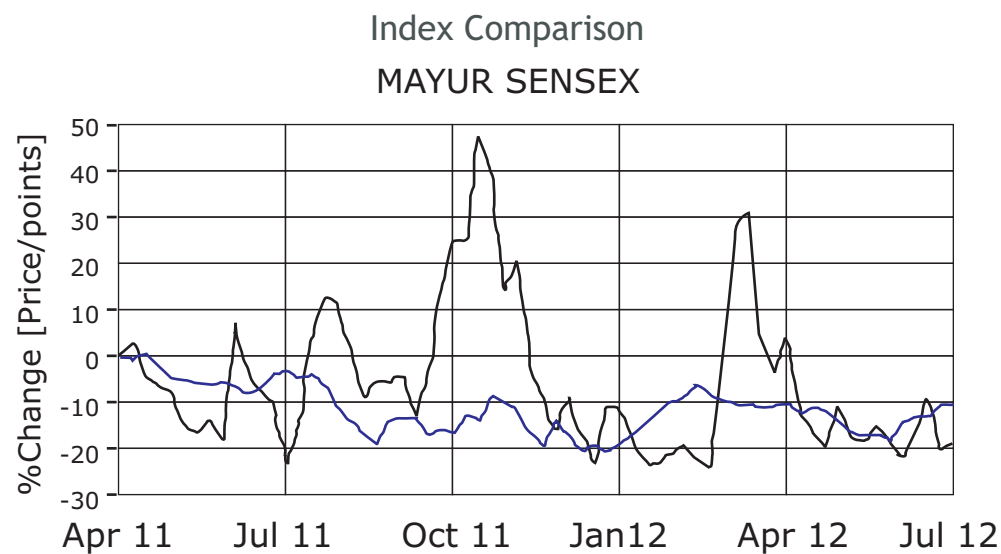
	BSE (Mayur Leather Products Ltd)		
Month	High	Low	Number of Shares traded
April 2011	34.65	28.70	58429
May 2011	33.45	25.10	84610
June 2011	36.90	24.65	66507
July 2011	40.70	23.45	105351



MAYUR LEATHER PRODUCTS LTD.

August 2011	38.50	27.35	19775
September 2011	38.40	26.70	268327
October 2011	51.20	35.00	765373
November 2011	47.50	28.00	64994
December 2011	31.55	23.25	27516
January 2012	31.70	24.75	45835
February 2012	30.00	24.15	47858
March 2012	50.60	27.80	192008

10. Performance of Company's shares in comparison to BSE Sensex



- 11. Registrars and Transfer Agents:** **Link Intime India Pvt Ltd.**
 (Formerly M/s Intime Spectrum Registry Limited)
 A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near
 Batra Banquet Hall, New Delhi 110 028
 Ph: 91-11-41410592-94/ Fax: 91-11-41410591
 e-mail: delhi@linkintime.co.in

- 12. ShareTransfer System:**

The Company has appointed Link Intime India Pvt. Limited (Formerly M/s. Intime Spectrum Registry Ltd.) as the Registrars and Transfer Agents (RTA) in addition to the electronic connectivity already being availed through them. As on date all the work related to the shares both held in physical and electronic form is handled by the RTA. All correspondences are to be directed to the RTA at their address mentioned at point no. 11 supra. The correspondences may also be sent at the Company's address, which will be sent by the Company to the RTA.

- 13. Reconciliation of Share Capital Audit**

Secretarial Audit for reconciliation of shares held with Depository Participants and in Physical form is being carried out in every quarter by a practicing Company Secretary and his audit report is placed before the Board for its perusal and filed regularly with the Stock Exchange within the stipulated time.



MAYUR LEATHER PRODUCTS LTD.

14. **Distribution of Shareholding as on 31st March, 2012**

Promoters & Promoters Group Holding	No. of Shares	%
- Indian Promoters	19,30,043	39.92
- Persons acting in concert	16,84,900	34.85
Non Promoters Holding		
- Mutual Funds	89,538	1.85
- Private Bodies Corporate	1,31,198	2.71
- NRI	12,972	0.27
- Indian Public	9,86,149	20.40

15. **Distribution Schedule:**

Shares holding (No. of shares)	Shareholders Number	Share holding % to Total	No. of Shares	% to Total
Upto 500	807	68.9155	152030	3.1445
501 - 1,000	167	14.2613	135152	2.7954
1,001- 2,000	78	6.6610	120856	2.4997
2,001- 3,000	25	2.1349	64673	1.3377
3,001- 4,000	17	1.4518	60397	1.2492
4,001- 5,000	15	1.2810	70180	1.4516
5,001- 10,000	19	1.6225	118545	2.4519
10,001 & Above	43	3.6721	4112967	85.0701
Total	1171	100.000	4834800	100.000

16 **Dematerialization / Liquidity of Shares :** Being listed on BSE, Shares of the Company are being regularly traded. 82.03% of the Company's paid-up equity share capital has been dematerialised upto 31st March 2012

17 **Outstanding GDRs/Warrants and Convertible Instruments :** The Company has not issued GDRs / Warrants or any other instruments which is convertible into Equity Shares of the Company.

18 **Plant Location:** G-60-62 & 67-69, Jaitpura Industrial Estate, Jaitpura 303 704, Jaipur (Rajasthan).

19 **Address for Correspondence**
Investor correspondence :

Link Intime India Pvt Limited
A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi 110 028
Ph: 011-41410592-94
Fax- 011-41410591
e-mail delhi@linkintime.co.in

Exclusive e-mail Id
for redressal of investors complaints in terms

Email ID : mlp@mayurleather.com



MAYUR LEATHER PRODUCTS LTD.

of Clause 47(f) of the Listing Agreement,
please use the following contents for redressal
of Investors Complaints:-

Compliance Officer :

Mr. Nitesh Kumar Kumawat
B-5, Vrindavan Apartments, Vrindavan
Vihar, King's Road, Jaipur-302019
(Rajasthan).
Ph: 91-9929988803
Fax: 91-141-2810385
e-mail: nitesh@mayurleather.com

For and on behalf of the Board of Directors

DATE: 30.05.2012
PLACE: JAIPUR

Sd/-
Amita Poddar
Director

Sd/-
R. K. Poddar
Director



MAYUR LEATHER PRODUCTS LTD.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERALL REVIEW

Mayur Leather Products Ltd. is a publicly held Company engaged in the manufacture and export of leather shoes and shoe uppers. Majority sales of the company comprises of exports. For the period under review the export sale (comprising of direct export and through merchant exporter) was 89.44% of total sale, rest being the domestic sale. The Company has increased its local sales to Rs. 150.04 lacs as compared to last year which was Rs. 239.95 lacs. During the year the Company has stabled its turnover to 327751 pairs from 369060.50 pairs in the last year. Thanks to a favourable valuation of Export Realisations.

The company has been able to stable its sale due to aggressive marketing efforts by the Company.

There was no change in the capital structure of the Company during the year. A Final dividend of 5 % has been proposed for the year ended 31st March, 2012. The total outgo for the dividend is Rs. 28.19/- including dividend tax. The Earning per Share (EPS) (basic and diluted) for the year was Rs.0 .11 as compared to Rs. 0.18 /- for the year 2010-2011.

OPPORTUNITIES

The Company has carved a niche for itself in the industrial shoe/ uppers segment both internationally and in the domestic market. The quality of the Company's products is well recognized. Embarking on this strength we are constantly working towards expanding the market for Company's products to other countries apart from our present work areas.

We intend to extend our exports but at the same time due to World-wide recession, we wish to increase domestic sales. We are also approaching to other big industries to launch our products.

CHALLENGES

There has been worldwide recession during the period under review. Further, it is expected for another year for which the challenge is try to develop new products for the export market and compensate by developing market in India.

OUTLOOK

With the efficient management and zealous employees' strength, the Company constantly endeavors to keep up with the trend of increase in the turnover and reduction in expenses. We therefore hope to keep this trend going with ongoing efforts to increase the domestic as well as new foreign markets, adequately training the manpower to effect the reduction in costs and increase in productivity and efficiency.

RISK & CONCERNS

The foreseeable risks for the company include competition with China in the international market and unorganized sector in manufacturing on domestic front. Apart from this, volatility of the US dollar vis-à-vis Indian rupee and the constantly increasing trend in the raw material prices is always a cause for concern.

INTERNAL CONTROL SYSTEM AND ADEQUACY



MAYUR LEATHER PRODUCTS LTD.

The Company's internal control systems are adequate, and are regularly tested and certified by our Statutory and Internal Auditors. Moreover, the Company continuously upgrades these systems in line with best international practices.

FINANCIAL PERFORMANCE

The summarized financial performance of the Company as compared to last year is shown as under:

Particulars	2011-12	2010-11	% Change
Sales	1896.63	1820.08	4.21
Other Income	269.89	273.61	(1.36)
Profit before tax	8.43	8.70	(3.10)
Net Profit after tax	5.19	8.67	(40.14)
Payment of Dividend	28.19	36.26	(22.26)
EPS	0.11	0.18	(38.89)

HUMAN RESOURCE

The Company recognizes that its employees are its principal assets and that its continued growth is dependent upon the ability to attract and retain quality people. The company has established a full-fledged Human Resources Department, which is entrusted with the responsibility of retaining and developing the skills of all its employees. The Company also recognizes the importance of providing training and development opportunities to its people to enhance their skills and experiences, which in turn enables the Company to achieve its business objectives. The industrial relations were cordial and the management thoroughly acknowledges the support from the employees at all levels. Total number of employees as on 31st March, 2012 stood at 88.

For and on behalf of the Board of Directors

PLACE : Jaipur
DATE : 30.05.2012

Sd/-
R.K. Poddar
Director

Sd/-
Amita Poddar
Director

DECLARATION FOR COMPLIANCE WITH THE CODE OF CONDUCT

To,

The Members,
Mayur Leather Products Ltd.,
Jaipur

This is to confirm that the Company has adopted a code of conduct for its Board of Directors and senior management personnel.

I confirm that the Company has in respect of financial year ended on 31st March, 2012 received from the members of the Board and senior management personnel a declaration of compliance with the code of conduct as applicable to them.

For Mayur Leather Products Ltd.
Sd/-
(R.K. Poddar)
Director & CEO
30.05.2012



MAYUR LEATHER PRODUCTS LTD.

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

To the Board of Directors of Mayur Leather Products Limited

We, R. K. Poddar, Chief Executive Officer and Rajendra Tripathi, Chief Financial Officer of Mayur Leather Products Limited, to the best of our knowledge and belief hereby certify that:

- (a). We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2012 and that to the best of our knowledge and belief;
- ↓ these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b). There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or void to the company's code of conduct;
- (c). We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify these deficiencies and
- (d). We have indicated to the Auditors and the Audit Committee of:
- (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

PLACE: Jaipur
DATE: 30.05.2012

For and on behalf of the Board

Sd/-
Rajendra Tripathi
Chief Financial Officer

Sd/-
R.K. Poddar
Director & CEO



MAYUR LEATHER PRODUCTS LTD.

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To,

The Members,
Mayur Leather Products Limited

We have examined the compliance of conditions of Corporate Governance by Mayur Leather Products Limited for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, ***subject to the number of independent directors is less than 50% of the strength of the Board of directors***, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/ Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MADHUKAR GARG & COMPANY**
CHARTERED ACCOUNTANTS
FRN 000866C

JAIPUR
DATED : 30-5-2012

(SUNIL SHUKLA)
PARTNER
M.NO. 071179



MAYUR LEATHER PRODUCTS LTD.

COMPLIANCE CERTIFICATE

CIN: L19129RJ1987PLC003889
Nominal Capital Rs. 5,80,00,000/-

To,
The Members,
Mayur Leather Products Limited,
G-60-62 & 67-69,
Jaitpura Industrial Estate,
Jaitpura.

We have examined the registers, records, books, documents and papers of **MAYUR LEATHER PRODUCTS LIMITED**, (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2012**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. the company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. the company has filed the forms and returns as stated in **Annexure 'B'** to this certificate with the Registrar of Companies through the Ministry of Corporate Affairs, *with additional filing fees* as prescribed under the Act and the rules made thereunder. However, no forms and returns were required to be filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. the Board of Directors duly met **5 (Five)** times on 07.05.2011, 10.08.2011, 31.08.2011, 31.10.2011 and 13.02.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose. However, no circular resolution was passed.
4. the Company closed its Register of Members from **26th September, 2011 to 28th September, 2011** (both days inclusive) for the purpose of payment of dividend and necessary compliance of Section 154 of the Act has been made in this regard.
5. the annual general meeting for the financial year ended on **31st March, 2011** was held on **28.09.2011** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
6. the Company has made necessary entries in the register maintained under section 301 of the Act.
7. the Company has:
 - a) deposited the amount of final dividend declared in separate account on 03.10.2011 respectively, which is within five days from the date of declaration of such dividend.
 - b) paid / posted warrants for dividends to all members within a period of 30 days from the



MAYUR LEATHER PRODUCTS LTD.

- date of declaration and that no money is unclaimed/unpaid .
- c) duly complied with the requirements of section 217 of the Act.
- 8.** the Board of Directors of the Company is duly constituted. During the year, Shri K.D. Agarwal, retired by rotation and being eligible was re-appointed and Shri Rajendra Kumar Poddar ceased to be Managing director of the Company w.e.f. 15.10.2011. However, he continues as a Director of the Company. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
- 9.** the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
- 10.** the amount borrowed by the company from financial institutions, banks and others during the financial year ending 31st March, 2012 are within the borrowing limit of the company as per section 293(1)(d).
- 11.** the Company has made investments in bodies corporate and others in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
- 12.** *the company has generally deposited both employee's and employer's contribution to provident fund with the prescribed authorities pursuant to section 418 of the act.*
- 13.** other paras of the Companies (Compliance Certificate) Rules, 2001 are either **NIL** or **NOT APPLICABLE** for the current year.

PLACE: JAIPUR
DATE: 30.05.2012

FOR V. M. & ASSOCIATES
COMPANY SECRETARIES

Sd/-
CSV. M. DAVE
PARTNER
Certificate of Practice No.: 452



MAYUR LEATHER PRODUCTS LTD.

Annexure A

Registers as maintained by the Company:

- | | |
|---|----------|
| 1. Register of Members | u/s 150 |
| 2. Minutes Book of Board, Committee and General Meeting | u/s 193 |
| 3. Register of Contracts | u/s 301 |
| 4. Register of Directors | u/s 303 |
| 5. Register of Director's Shareholding | u/s 307 |
| 6. Register of Investments | u/s 372A |
| 7. Register of Postal Ballot | ----- |

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Rajasthan at Jaipur through the Ministry of Corporate Affairs during the financial year ending on 31st March, 2012:

1. E-Form No. 66 along with Compliance Certificate filed u/s 383A for the financial year ended 31/03/2011, filed *with additional filing fee* on 17/11/2011.
2. E-Form No. 23AC and 23ACA in XBRL alongwith Balance Sheet and Profit & Loss Account for the year ended on 31/03/2011, filed in time u/s 220 on 30/12/2011.
3. E-Form No. 20B alongwith Annual Return under Schedule V, for the Annual General Meeting held on 28/09/2011 was filed in time on 22/11/2011.



MAYUR LEATHER PRODUCTS LTD.

Auditor's Report to the Members of MAYUR LEATHER PRODUCTS LTD., JAIPUR

1. We have audited the attached Balance Sheet of **MAYUR LEATHER PRODUCTS LTD, JAIPUR**, as at **31st March, 2012** and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statement are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit
 - b In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of those books
 - c The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
 - e On the basis of written representations received from the Directors, as on **31st March, 2012**, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on **31st March, 2012** from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f In our opinion and to the best of our information and according to explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in



MAYUR LEATHER PRODUCTS LTD.

India,

- i in the case of Balance Sheet, of the state of affairs of the company as at **31st March, 2012**; and
- ii in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- iii in the case of Cash Flow statement, of the Cash Flows for the year ended on that date.

for **MADHUKAR GARG & COMPANY**
Chartered Accountants
FRN 000866C

Place : Jaipur

Date :

SUNIL SHUKLA
(Partner)
M. No. 071179



MAYUR LEATHER PRODUCTS LTD.

ANNEXURE REFERRED TO IN PARAGRAPH 4 OF AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF MAYUR LEATHER PRODUCTS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

1.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of its fixed assets.
 - (b) Fixed Assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
 - (c) Substantial part of fixed assets have not been disposed off during the year.

2.
 - (a) The inventory of the Company, has been physically verified by the Management during the year. The frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) The Company has maintained proper records of inventory and the discrepancies noticed between the physical stocks and the book record were not material.

3.
 - (a) The Company has granted loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the act. The number of parties are 1 (One) and amount involved in the transaction is Rs. 34.86 Lacs.
 - (b) The rate of interest & other terms & conditions of loan given by the company, secured or unsecured are not prima facie prejudicial to the interest of the company.
 - (c) In our opinion & information & explanation provided to us no such condition is specified hence requirement of regular receipt of the principal amount and interest is not applicable.
 - (d) In our opinion & information & explanation provided to us as no such condition is specified, hence requirement of over due loan is not applicable.
 - (e) The company has not taken any loans, secured or unsecured from companies firm or other parties covered in the register maintained under section 301 of the Act.
 - (f) As the Company has not taken any loan hence the requirement of rate of interest and other terms & conditions of loans taken by the Company, secured or unsecured are prejudicial to the interest of the Company or not is not applicable.



MAYUR LEATHER PRODUCTS LTD.

- (g) Requirement of regular payment of the principal amount and interest is not applicable being no loan taken by the Company.
4. There are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchases of inventories, fixed assets and for the sale of goods. There is no continuing failure to correct major weaknesses in internal control system.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contract or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits under the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
7. In our opinion, the Company's present internal audit system is commensurate with its size and nature of its business.
8. On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government of India under section 209(1)(d) of the Act have been maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
9. (a) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on Management representations, undisputed statutory dues in respect of



MAYUR LEATHER PRODUCTS LTD.

Provident Fund, Employee's State Insurance dues, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and Other Statutory dues have generally been regularly deposited, by the Company during the year with the appropriate authorities in India.

(b) As at **31st March, 2012**, there have been no disputed dues which have not been deposited with the respective authorities in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Tax, Excise Duty and Cess.

10. The Company has neither accumulated losses as at **31st March, 2012**, nor it has incurred any cash loss either during the financial year ended on that date or in the immediately preceding financial year.
11. As per the records of the Company, it has not defaulted in repayment of its dues to any financial institution or bank or to debenture holders during the year.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to it.
14. The Company has not dealt or traded in shares, securities, debentures or other investments during the year.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company has not taken any term loan during the year.
17. On the basis of review of utilisation of funds which is based on overall examination of the balance sheet of the company, related information as made available to us and as



MAYUR LEATHER PRODUCTS LTD.

represented to us by the Management, funds raised on short term basis have not been used for long term investment.

18. The Company has not made preferential allotment of shares to parties & companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. As per the information and explanations given to us and on the basis of examination of records, no fraud on or by the Company was noticed or reported during the year.

for **MADHUKAR GARG & COMPANY**
Chartered Accountants
FRN 000866C

Place : Jaipur
Date : 30-05-2012

SUNIL SHUKLA
(Partner)
M. No. 071179



MAYUR LEATHER PRODUCTS LTD.

BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in Rs.)

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	49759786.00	49759786.00
(b) Reserves and Surplus	4	105623317.33	107923311.38
(c) Money received against share warrants		0.00	0.00
(2) Share application money pending allotment		0.00	0.00
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	55203.00	315603.00
(b) Deferred tax liabilities (Net)	6	1441428.00	1828817.00
(c) Other Long term liabilities		0.00	0.00
(d) Long term provisions		0.00	0.00
(4) Current Liabilities			
(a) Short-term borrowings	7	43021394.00	33757565.00
(b) Trade payables	8	33270242.96	36888417.36
(c) Other current liabilities	9	4180077.51	7335196.25
(d) Short-term provisions	10	3468900.00	1509450.00
Total		240820348.80	239318145.99
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets :	11		
(i) Tangible assets		39548454.53	52478752.17
(ii) Intangible assets		0.00	0.00
(iii) Capital work-in-progress		0.00	0.00
(iv) Intangible assets under development		0.00	0.00
(b) Non-current investments	12	37366880.00	40041880.00
(c) Deferred tax assets (net)		0.00	0.00
(d) Long term loans and advances	13	585423.40	511488.00
(e) Other non-current assets		0.00	0.00
(2) Current assets			
(a) Current investments		0.00	0.00
(b) Inventories	14	31401657.30	34320399.40
(c) Trade receivables	15	50491385.52	40945500.50
(d) Cash and Bank Balances	16	7078402.10	2763916.68
(e) Short-term loans and advances	17	64167134.37	59432352.24
(f) Other current assets	18	10181011.58	8823857.00
Total		240820348.80	239318145.99

See Accompanying Notes (1 to 45) to the Financial Statements.

For MAYUR LEATHER PRODUCTS LIMITED, JAIPUR

As per our separate report of even date attached.

(RAJENDRA KUMAR PODDAR)
DIRECTOR

(AMITA PODDAR)
DIRECTOR

(SUNIL SHUKLA)
PARTNER
M.NO. 071179

For MADHUKAR GARG & COMPANY
CHARTERED ACCOUNTANTS
FRN 000866C

PLACE: JAIPUR
DATE : 30-05-2012



MAYUR LEATHER PRODUCTS LTD.

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012

(Amount in Rs.)

Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations	19	210579772.21	204153153.05
II. Other Income	20	6071901.12	5216394.29
III. Total Revenue (I +II)		216651673.33	209369547.34
IV. Expenses:			
Cost of materials consumed	21	144964606.33	144600995.26
Purchase of Stock-in-Trade		0.00	0.00
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(2217672.90)	(2215681.50)
Employee benefit expense	23	22118728.00	23224419.05
Finance costs	24	5152193.60	3338438.36
Depreciation and amortization expense	25	4635005.00	5516219.00
Other expenses	26	40228216.73	33593795.03
Total Expenses		214881076.76	208058185.20
V. Profit before exceptional & extraordinary items & tax (III - IV)		1770596.57	1311362.14
VI. Exceptional Items	27	927769.62	230250.00
VII. Profit before extraordinary items and tax (V - VI)		842826.95	1081112.14
VIII. Extraordinary Items		0.00	0.00
IX. Profit before tax (VII - VIII)		842826.95	1081112.14
X. Tax expense:			
(1) Current tax	28	711310.00	100000.00
(2) Deferred tax		(387389.00)	113953.00
XI. Profit(Loss) for the period from continuing operations (IX-X)		518905.95	867159.14
XII. Profit/(Loss) from discontinuing operations		0.00	0.00
XIII. Tax expense of discounting operations		0.00	0.00
XIV. Profit/(Loss) from Discontinuing operations (after Tax) (XII - XIII)		0.00	0.00
XV. Profit/(Loss) for the period (XI + XIV)		518905.95	867159.14
XVI. Earning per equity share:			
(1) Basic		0.11	0.18
(2) Diluted		0.11	0.18

See Accompanying Notes (1 to 45) to the Financial Statements.

For MAYUR LEATHER PRODUCTS LIMITED, JAIPUR

(RAJENDRA KUMAR PODDAR)
DIRECTOR

(AMITA PODDAR)
DIRECTOR

(SUNIL SHUKLA)
PARTNER
M.NO. 071179

As per our separate report of even date attached.

For MADHUKAR GARG & COMPANY
CHARTERED ACCOUNTANTS
FRN 000866C

PLACE: JAIPUR
DATE: 30-05-2012



MAYUR LEATHER PRODUCTS LTD.

Notes on Accounts

1. CORPORATE INFORMATION

Mayur Leather Products Limited (the Company) is a publicly held Company engaged in the manufacturing and export of Leather Shoes and Shoe Uppers and company is also engaged in Restaurant activity. The majority sales of the Company comprises of exports. The Company is engaged in production of industrial shoe / uppers segment both internationally and in the domestic market. The Equity Shares of the Company are presently listed with the Bombay Stock Exchange Limited (BSE).

2. SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Preparation

These Financial Statements have been prepared in accordance with the generally accepted Accounting Principles in India under the Historical Cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and all other relevant provisions of the Companies Act, 1956.

All Assets & Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

(B) Tangible Assets

Tangible Assets are stated at cost which includes cost of acquisition, installation, direct costs and borrowing cost incurred upto the date of commissioning.

(C) Depreciation

- (i) Depreciation has been provided at the SLM rates as prescribed by Schedule XIV of the Companies Act, 1956.
- (ii) Depreciation has been provided on Double Shift Basis.
- (iii) Depreciation on additions and deletion during the year has been provided on pro-rata basis with reference to the month of addition and deletion.
- (iv) Land & Site Development has not been depreciated.

(D) Foreign Currency Transactions

- (i) Cost of imported material is converted to Indian currency at the rates prevailing at the time of payment.



MAYUR LEATHER PRODUCTS LTD.

- (ii) The expenditure in Foreign Currency is accounted at the rates prevailing on the date of transaction.
- (iii) The Export Sales are accounted for at the actual rates prevailing at the time of bill discounting.
- (vi) Balances of Monetary items in Foreign Currency outstanding at the close of the year are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet.
- (v) Exchange rate difference between the prevailing rate on the date of transaction and on the date of settlement as also on conversion of monetary items in Current Assets and Current Liabilities at the end of the year are recognized as income & expenses as the case may be in Profit & Loss Account.

(E) Inventories

- (i) Raw Material, Stores, Spares & Maintenance items, consumable goods are valued at lower of landed cost and Net Realizable Value. The cost formula used is FIFO for all items.
- (ii) Work in process is valued at cost.
- (iii) Finished Goods are valued at Cost or Net Realizable Value whichever is lower.
- (iv) The cost of imported raw material includes custom duties and other direct expenditure.

(F) Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. Sales within India are exclusive of Sales Tax and Excise Duty. Cut off date for accounting Export Sales is based on the date of bill lading. Export sales are accounted for on FOB Basis.

(G) Employee Benefits

- (i) The Company has Defined Contribution Plan for its employee's retirement benefits comprising of Provident Fund & Employee's State Insurance Fund. The Company and eligible employees make monthly contribution to the above mentioned funds at a specified percentage of the covered employee's salary. The Company recognizes its contribution as expenses of the year in which the liability is incurred.
- (ii) Gratuity Liability under the Payment of Gratuity Act is based on actuarial valuation carried out at the close of the financial year in accordance with the scheme administered by Life Insurance Corporation of India through a Gratuity Trust Fund and contribution payable under the said scheme are charged to Profit & Loss Account. In absences of information



MAYUR LEATHER PRODUCTS LTD.

Company is not in a position to disclose details as per AS-15 (Employee Benefits) in respect of defined benefit Plan (Gratuity).

- (iii) Earn Leave Accruing to employees as on the last day of Financial Year on accrual basis.
- (iv) Compensation to Employees who have opted for retirement under the Voluntary Retirement Scheme of the Company is charged to Profit & Loss Account in the year of exercise of option.

(H) **Borrowing Costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets. Which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in statement of Profit and Loss in the period in which they are incurred.

(I) **Taxation**

Income Tax Provision comprises Current Tax and Deferred Tax charge or credit. Provision for current tax is made on Assessable Income at the tax rate applicable to the relevant assessment year. The Deferred Tax Assets and Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of unabsorbed depreciation under tax laws are recognized only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized, only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of deferred assets is reviewed to reassure realization.

(J) **Impairment**

The carrying amount of Assets are reviewed at each Balance Sheet date if there is any Indication of Impairment based on Internal as well as external factors. An Impairment Loss will be recognized wherever carrying amount of Assets exceeds its estimated Recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value at weighted average cost of capital. After, impairment, depreciation is provided on revised carrying amount of assets over the remaining useful life. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(K) **Provisions, Contingent Liabilities & Contingent Assets**

The company recognizes a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be



MAYUR LEATHER PRODUCTS LTD.

made of the amount of the obligation. A Disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

(L) **Lease Transaction**

For assets taken on operating lease, lease rentals payable are charged to revenue.

(M) **Investments**

Investments are valued at cost. Provision for diminution in the value of long term investments is made. Only if such decline is other than temporary.

(N) **Research & Development**

Revenue expenditure pertinent to research & development is charged to the Profit & Loss Account in the year in which it is incurred.

(O) **Cash & Cash Equivalent**

In the Cash Flow Statement, Cash and Cash Equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(P) **Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.



MAYUR LEATHER PRODUCTS LTD.

NOTE NO. 3

SHARE CAPITAL

(Amount in Rs.)

	<u>AS AT 31.03.12</u>	<u>AS AT 31.03.11</u>
<u>AUTHORISED</u>		
5800000 Equity shares of Rs. 10/- each (Previous Year 5800000 Equity shares of Rs. 10/- each)	58000000.00	58000000.00
<u>ISSUED, SUBSCRIBED AND PAID UP</u>		
4834800 Equity shares of Rs. 10/- each fully paid up (Previous Year 4834800 Equity shares of Rs. 10/- each fully paid up)	48348000.00	48348000.00
Add : Share Forfeited (Amount Originally Paid)	1411786.00	1411786.00
	49759786.00	49759786.00

(a) Reconciliation of the Number of Equity Shares

	<u>Nos.</u>	<u>Amount (Rs.)</u>	<u>Nos.</u>	<u>Amount (Rs.)</u>
Balance as at the beginning of the year	4834800.00	48348000.00	4834800.00	48348000.00
Add : Shares Issued during the year	0.00	0.00	0.00	0.00
Balance as at the end of the year	4834800.00	48348000.00	4834800.00	48348000.00

(b) Right, Preferences and restrictions attached to shares :

Equity Shares : - The Company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation. The Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share holding.

(c) Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

<u>Name of Share Holder</u>	<u>AS AT 31.03.12</u>		<u>AS AT 31.03.11</u>	
	<u>No. of Share</u>	<u>% of Shares</u>	<u>No. of Share</u>	<u>% of Shares</u>
Rajendra Kumar Poddar	943643.00	19.52%	949894.00	19.65%
Amita Poddar	558100.00	11.54%	558100.00	11.54%
Rajesh V. Gupta	428300.00	8.86%	428300.00	8.86%
Sarita Gupta	344800.00	7.13%	344800.00	7.13%
Total	2274843.00	47.05%	2281094.00	47.18%



MAYUR LEATHER PRODUCTS LTD.

NOTE NO. 4

RESERVES AND SURPLUS

(Amount in Rs.)

	<u>AS AT 31.03.12</u>	<u>AS AT 31.03.11</u>
(1) General Reserves :		
Balance as at the beginning of the year	16270000.00	16170000.00
Add : Transferred from Surplus in statement of Profit & Loss during the year	100000.00	100000.00
Total (1)	16370000.00	16270000.00
(2) Securities Premium Amount	15879929.00	15879929.00
(3) Surplus in Statement of Profit & Loss :		
Balance as at the beginning of the year	75773382.38	79234573.24
Profit for the year	518905.95	867159.14
	<u>76292288.33</u>	<u>80101732.38</u>
Less : <u>Appropriations</u>		
Interim Dividend on Equity Shares for the year	0.00	2818900.00
Proposed Dividend on Equity Shares for the year	2417400.00	1208700.00
Dividend Distribution Tax	401500.00	200750.00
Transfer to General Reserve	100000.00	100000.00
Total (3)	73373388.33	75773382.38
Total (1+2+3)	105623317.33	107923311.38

NOTE NO. 5

LONG TERM BORROWINGS

(A) SECURED :

Term Loans from Banks :		
Canra Bank - Vehicle (Bus) Loan Account	55203.00	315603.00

Terms of Re-Payment : Repayable in 36 equal monthly instalment beginning from 27.07.2010

Nature of Security : Term Loan from bank are secured by way of hypothecation of Vehicle financed by them.

(B) UNSECURED :

Loans & Advances from related Parties	0.00	0.00
	<u>55203.00</u>	<u>315603.00</u>



MAYUR LEATHER PRODUCTS LTD.

NOTE NO. 6

DEFERRED TAX LIABILITIES (NET)

(Amount in Rs.)

	<u>AS AT 31.03.12</u>	<u>AS AT 31.03.11</u>
Deferred Tax Liabilities :		
Depreciation	1441428.00	1828817.00
Deferred Tax Assets :		
Unabsorbed Depreciation	0.00	0.00
Deferred Tax Liabilities (Net)	<u>1441428.00</u>	<u>1828817.00</u>

NOTE NO. 7

SHORT TERM BORROWINGS

Secured :

Working Capital Loan Repayable on Demand From Banks :-

Canara Bank - FBD Limit	43021394.00	31015958.00
Canara Bank - Packing Credit Limit (PC)	0.00	2741607.00

43021394.00 **33757565.00**

Secured against first charge on stock of Raw Material, Work-in-Progress, Finished Goods & Book Debts & Other Current Assets of the Company, Equitable Mortgage of Factory Land & Building bearing No. G 60-61, 467-69, at Udyog Vihar, Industrial Estate, Jaitpura, Dist. Jaipur, & First Charge by way of hypothecation of Fixed assets of the Company and Personal Guarantee of Directors.

NOTE NO. 8

TRADE PAYABLES

Trade Payable - Due to Micro, Small & Medium Enterprises	0.00	0.00
Others :-		
Imported Raw Material	1401179.97	1502527.31
Raw Material	27386775.13	30179689.05
Expenses	4482287.86	5206201.00
	<u>33270242.96</u>	<u>36888417.36</u>



MAYUR LEATHER PRODUCTS LTD.

NOTE NO. 9

OTHER CURRENT LIABILITIES

(Amount in Rs.)

	<u>AS AT 31.03.12</u>	<u>AS AT 31.03.11</u>
Current Maturities of Long Term Debt (Refer Note No. 4) Term Loan from Banks :		
Canara Bank - Vehicle (Bus) Loan	260400.00	201555.00
Creditor for Capital Goods Purchased	272103.46	6234.00
Outstanding Expenses	420930.35	471778.00
Bonus Payable	1246242.00	1772466.00
Unpaid Dividend	615467.70	2955473.20
Government Dues (TDS Payable)	158849.00	277409.00
Duties & Taxes	0.00	19863.45
Other Liabilities	1206085.00	1630417.60
	<u>4180077.51</u>	<u>7335196.25</u>

NOTE NO. 10

SHORT TERM PROVISIONS

Provision for Income Tax	650000.00	100000.00
Proposed Dividend (Final)	2417400.00	1208700.00
Tax on Proposed Dividend	401500.00	200750.00
	<u>3468900.00</u>	<u>1509450.00</u>

NOTE NO. 11

FIXED ASSETS CHART

S. No.	Name of Assets	GROSS BLOCK			DEPRECIATION & AMORTIZATION			NET BLOCK			
		As at 01.04.11	Addition	Deletion	As at 31.3.2012	Upto 01.04.11	For the Period	Adjustment	Upto 31.3.2012	As at 01.04.11	As at 31.3.2012
(i)	TANGIBLE ASSETS										
(a)	Manufacturing Activity										
1	Land	313480.00	0.00	0.00	313480.00	0.00	0.00	0.00	0.00	313480.00	313480.00
2	Building	15721305.00	0.00	0.00	15721305.00	4959413.00	506252.00	0.00	5465665.00	10761892.00	10255640.00
3	Furniture & Fixture	2814785.00	0.00	0.00	2814785.00	2062722.00	88620.00	0.00	2151342.00	752063.00	663443.00
4	Laboratory Equipments	1182184.00	0.00	0.00	1182184.00	629163.00	71133.00	0.00	700296.00	553021.00	481888.00
5	Plant & Machinery	47233715.00	2298476.00	16041076.00	33491115.00	28974509.00	2000138.00	6403918.00	24570729.00	18259206.00	8920386.00
6	Office Equipments	2837059.00	107584.98	0.00	2944643.98	1813406.00	134112.00	0.00	1947518.00	1023653.00	997125.98
7	Electric Installation	723960.00	0.00	0.00	723960.00	651726.00	11764.00	0.00	663490.00	72234.00	60470.00
8	Diesel & Generator Set	2246616.00	0.00	1085000.00	1161616.00	1313180.00	97964.00	320080.00	1091064.00	933436.00	70552.00
9	Computer	2023400.00	0.00	0.00	2023400.00	1752624.00	106228.00	0.00	1858852.00	270776.00	164548.00
10	Motor Vehicles	5148222.00	1866547.00	1653496.00	5361273.00	905788.00	495845.00	151471.00	1250162.00	4242434.00	4111111.00
11	Shoe Last	1386413.00	14412.00	0.00	1400825.00	1382207.00	18617.00	0.00	1400824.00	4206.00	1.00
12	Dies	2552565.00	0.00	0.00	2552565.00	2482189.00	10156.00	0.00	2492345.00	70376.00	60220.00
13	Moulds	6275534.00	0.00	0.00	6275534.00	5359553.00	169417.00	0.00	5528970.00	915981.00	746564.00
	Total (i)(a)	90459238.00	4287019.98	18779572.00	75966685.98	52286480.00	3710246.00	6875469.00	49121257.00	38172758.00	26845428.98
(b)	Restaurant Activity										
1	Building	4095020.57	0.00	0.00	4095020.57	152873.81	136774.00	0.00	289647.81	3942146.76	3805372.76
2	Computer	260350.00	0.00	0.00	260350.00	57359.16	42203.00	0.00	99562.16	202990.84	160787.84
3	Electric Fitting	1403548.75	0.00	0.00	1403548.75	121610.76	104144.00	0.00	225754.76	1281937.99	1177793.99
4	Furniture & Fixtures	4426782.38	0.00	0.00	4426782.38	347673.53	280216.00	0.00	627889.53	4079108.85	3798892.85
5	Motor Vehicle	858510.00	0.00	827215.00	31295.00	94096.38	29168.00	117566.38	5698.00	764413.62	25597.00
6	Office Equipments	4440289.72	31439.00	0.00	4471728.72	404893.61	332254.00	0.00	737147.61	4035396.11	3734581.11
	Total (i)(b)	15484501.42	31439.00	827215.00	14688725.42	1176507.25	924759.00	117566.38	1985699.87	14305994.17	12703025.55
	Total (i)(a+b)	105943739.42	4318458.98	19606787.00	90655411.40	53464987.25	4635005.00	6993035.38	51106956.87	52478752.17	39548454.53
(ii)	INTANGIBLE ASSETS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	CAPITAL W.I.P.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv)	INTANGIBLE ASSETS UNDER DEVELOPMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (I to iv)	105943739.42	4318458.98	19606787.00	90655411.40	53464987.25	4635005.00	6993035.38	51106956.87	52478752.17	39548454.53
	Prev. Year Figures	104085301.42	3847454.00	1989016.00	105943739.42	48505404.75	5516219.00	555636.00	53464987.25	55579897.17	52478752.17



MAYUR LEATHER PRODUCTS LTD.

NOTE NO. 12

NON CURRENT INVESTMENT

(Amount in Rs.)

AS AT 31.03.12 AS AT 31.03.11

Other Investments (Valued at Cost unless stated otherwise) :

Equity Shares (Quoted)

Mayur Uniquoters Limited (1000 Fully Paid Equity Shares of Rs. 10/- each, issued at a Premium of Rs. 31/- each)	41880.00	41880.00
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Equity Shares (Unquoted)

Mayur Abodes Limited (373250 Equity Shares of Rs. 10/- each, issued at a Premium of Rs. 90/- each) (400000 Equity Shares of Rs. 10/- each, issued at a Premium of Rs. 90/- each)	37325000.00	40000000.00
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	37366880.00	40041880.00
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Market Value of Quoted Investment	447750.00	254100.00
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NOTE NO. 13

LONG TERM LOANS & ADVANCES

Unsecured, considered Goods (Unless otherwise stated)

Security Deposits

Capital Advance	0.00	0.00
Security Deposit with Govt. / Semi Govt. Deptt.	585423.40	511488.00
Security Deposit with Other	0.00	0.00

	585423.40	511488.00
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MAYUR LEATHER PRODUCTS LTD.

NOTE NO. 14

INVENTORIES

(Amount in Rs.)

	<u>AS AT 31.03.12</u>	<u>AS AT 31.03.11</u>
Raw Material, Stores & Packing Material (At Lower of Cost or Net Realisable Value)	17464597.00	22604730.00
Work in Process (Valued at Cost)	8366502.00	9578470.00
Finished Goods (At Lower of Cost or Net Realisable Value)	5554432.30	2124791.40
Raw Material at Restaurant (At Lower of Cost or Net Realisable Value)	16126.00	12408.00
	<u>31401657.30</u>	<u>34320399.40</u>

NOTE NO. 15

TRADE RECEIVABLES

Unsecured, Considered Good

Outstanding for a Period exceeding Six months from the date they are due for payment	483597.57	442787.55
Others	50007787.95	40502712.95
	<u>50491385.52</u>	<u>40945500.50</u>

NOTE NO. 16

CASH & BANK BALANCES

Cash & Cash Equivalents :

Cash on Hand	470056.00	33100.00
<u>Bank Balance :</u>		
in Current Account	5926658.40	(264476.52)
in Fixed Deposit (Less 3 month Maturity)	0.00	0.00
<u>Other Bank Balance :</u>		
Unpaid Dividend Account	681687.70	2995293.20
	<u>7078402.10</u>	<u>2763916.68</u>



MAYUR LEATHER PRODUCTS LTD.

NOTE NO. 17

SHORT TERM LOANS & ADVANCES

(Amount in Rs.)

	<u>AS AT 31.03.12</u>	<u>AS AT 31.03.11</u>
Unsecured, Considered Good (unless otherwise stated)		
Loans and Advances	55113560.00	47687994.00
Advance to Suppliers of Raw Material	549798.80	1478484.66
Advance for Expenses	1318044.61	1308269.60
Advance Against Salary	190618.76	62101.76
Prepaid Expenses	202345.64	242846.39
Advance Income Tax & TDS Recoverable	4490503.58	6540808.00
Income Tax Demand 2003-04	648971.00	648971.00
Income Tax Demand 2004-05	606168.00	606168.00
Foreign Travelling Advance	1047123.98	856708.83
	<u>64167134.37</u>	<u>59432352.24</u>

NOTE NO. 18

OTHER CURRENT ASSETS

Unsecured, Considered Good (unless otherwise stated)

Accrued Duty Drawback	3869987.00	3578427.00
Accrued Duty Credit (FPS)	3391956.00	2269890.00
Vat Recoverable / Payable	613428.58	398010.00
Security Deposit with Others	2305640.00	2577530.00
	<u>10181011.58</u>	<u>8823857.00</u>



MAYUR LEATHER PRODUCTS LTD.

NOTE NO. 19

REVENUE FROM OPERATIONS

(Amount in Rs.)

AS AT 31.03.12 AS AT 31.03.11

Sale of Products :

(A) Export Sales

Shoes	81869382.90	64392928.00
Upper	87565254.81	86172520.64
Others	192522.50	960405.00

Total (A) **169627160.21** **151525853.64**

(B) Local Sale :

Shoes	15003963.00	23995170.00
Upper	0.00	0.00
Others	0.00	450.00

Total (B) **15003963.00** **23995620.00**

(C) Local Sale - Restaurant:

Food	4578603.00	6486887.41
Banquet	435510.00	0.00
Others	17445.00	0.00

Total (C) **5031558.00** **6486887.41**

Total (A+B+C) **189662681.21** **182008361.05**

Other Operating Income :

(D) Duty Drawback & Focus Product :

Upper	7235750.00	6033963.00
Shoes	7474315.00	8044267.00
Others	0.00	13462.00
Duty Credit Scrip FPS	6207026.00	8053100.00

Total (D) **20917091.00** **22144792.00**

Total (A+B+C+D) **210579772.21** **204153153.05**



MAYUR LEATHER PRODUCTS LTD.

NOTE NO. 20

OTHER INCOME

(Amount in Rs.)

	<u>AS AT 31.03.12</u>	<u>AS AT 31.03.11</u>
Other Non Operating Income :		
Rent Received on Plant & Machinery	240000.00	0.00
Rent Received (City Office)	30000.00	0.00
Interest on Loan	4417225.00	4144087.00
Interest on FDR	19665.77	0.00
Interest on Income Tax Refund	191179.00	0.00
Interest on Packing Credit Loan (Subsidy Net)	597022.06	163808.00
Interest Receivable Others	0.00	90446.00
Discount Received	0.00	1225.00
Dividend Received	13000.00	8500.00
Service Tax Refund	107229.00	0.00
Exhchange Rate Difference	2439.39	0.00
Exhchange Rate Difference (Export)	38872.90	358535.55
Scrap Sales	260000.00	0.00
Fire Insurance Claim Receivables	0.00	279714.00
Service Charges Received (Restaurant)	155268.00	157554.14
Commission on Sales (Restaurant)	0.00	12524.60
	6071901.12	5216394.29

NOTE NO. 21

COST OF MATERIAL CONSUMED

Opening Stock	22604730.00	19888637.00
Add : Purchases of Raw Material	135617289.81	142863952.23
Add : Freight Inward	1584512.00	1552070.00
Add : Insurance of Raw Material	19264.00	15429.00
	159825795.81	164320088.23
Less : Closing Stock	17464597.00	22604730.00
Total (A)	142361198.81	141715358.23
<u>Restaurant Business :</u>		
Opening Stock	12408.00	43608.59
Add : Purchases	2607125.52	2854436.44
	2619533.52	2898045.03
Less : Closing Stock	16126.00	12408.00
Total (B)	2603407.52	2885637.03
	144964606.33	144600995.26



MAYUR LEATHER PRODUCTS LTD.

NOTE NO. 21 (A)

VALUE OF IMPORTED & INDIGENOUS MATERIAL CONSUMED

	(Amount in Rs.)	
	<u>AS AT 31.03.12</u>	<u>AS AT 31.03.11</u>
Imported	24184212.81 16.68%	22669747.60 15.68%
Indigenous	120780393.52 83.32%	121931247.66 84.32%
	144964606.33	144600995.26
	100.00%	100.00%

NOTE NO. 21 (B)

DETAIL OF RAW MATERIAL CONSUMED

Upper Leather	44937160.76	44502619.00
Upper Lining	8716201.00	10632725.00
Threads	1883490.00	2173086.00
Foam	7110964.60	7860318.00
Split Leather	8574992.50	8919544.00
Adhesive	4532483.00	5011853.00
Leather Board	5088795.01	5467353.00
Fusable Textile	1354592.00	1191739.00
Fur Lining	684230.00	551952.00
Metal Fiting	17888969.57	18343332.00
Grinderies	7465383.86	8149413.00
Bottoms	3739693.65	2446017.00
Misc. Material	2525484.86	3402974.00
Rubber Chemicals	14742740.00	10028535.00
Rubber Chemicals PU	6619438.00	6857407.00
Packing Material	4892804.00	4608992.00
Material Consumed (Restaurant Activity)	2603407.52	2885637.00
Misc. Expenses of Insurance / Freight etc.	1603776.00	1567499.00
	144964606.33	144600995.00



MAYUR LEATHER PRODUCTS LTD.

NOTE NO. 22

CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS

(Amount in Rs.)

	<u>AS AT 31.03.12</u>	<u>AS AT 31.03.11</u>
<u>Opening Stock</u>		
Finished Goods	2124791.40	6447089.90
Work in Progress	9578470.00	3040490.00
<u>Less :Closing Stock</u>		
Finished Goods	5554432.30	2124791.40
Work in Progress	8366502.00	9578470.00
	<u>(2217672.90)</u>	<u>(2215681.50)</u>

NOTE NO. 23

EMPLOYEE BENEFIT EXPENSES

Salary & Other Allowances	12650404.00	14384082.00
Wages	840694.00	1621894.00
Leave Encashment	242945.00	290629.00
Reimbursement of Medical Expenses	17200.00	23700.00
Reimbursement of Conveyance Expenses	103000.00	160158.00
Insurance Premium on Mediclaim & Gratuity Scheme	48436.00	49558.00
Provident Fund	927492.00	947899.00
Recruitment Training & Stipend	478078.00	324444.00
Bonus	1591216.00	1549582.00
ESI	404077.00	382865.00
ESI Demand	0.00	6155.00
Gratuity	16179.00	275413.00
Insurance Premium Foreign Travelling	9049.00	1248.00
Conveyance Expenses (Transport)	0.00	121300.00
Compensation	1138403.00	0.00
Payment of Notice Period	581589.00	0.00
Staff Welfare Expenses	284832.00	280054.00
Salary & Wages (Restaurant)	1563059.00	2276227.00
Security Charges	701870.00	283233.00
Cleaning & House Keeping	520205.00	245978.05
	<u>22118728.00</u>	<u>23224419.05</u>



MAYUR LEATHER PRODUCTS LTD.

NOTE NO. 24

FINANCE COST

	(Amount in Rs.)	
	<u>AS AT 31.03.12</u>	<u>AS AT 31.03.11</u>
Bank Charges	1246475.19	866485.36
Interest on FDB & BRD Commission	3591727.75	2404943.00
Interest on Packing Credit	313990.66	67010.00
	<u>5152193.60</u>	<u>3338438.36</u>

NOTE NO. 25

DEPRECIATION & AMORTISATION EXPENSES

Depreciation on Tangible Assets	4635005.00	5516219.00
Amortisation on Intangible Assets	0.00	0.00
	<u>4635005.00</u>	<u>5516219.00</u>

NOTE NO. 26

OTHER EXPENSES

MANUFACTURING EXPENSES

Insurance Premium (Comprehensive & Others)	77016.00	94953.00
Power, Fuel & Water	3336010.00	3688862.00
Banquet Expenses (Restaurant)	0.00	66356.00
Freight (Restaurant)	15060.00	16120.00
Processing Charges	18905025.50	11172310.70

Repairs & Maintenance

-Machinery & Electricals	751630.35	1201404.12
-Building	52177.00	268739.00
Consumable Stores	1622228.00	2072568.00
Development /Laboratory & testing	181320.98	123722.00
Production Incentives	153964.00	228331.00
Rubber Cess	10082.00	29944.00

Total (A)	<u>25104513.83</u>	<u>18963309.82</u>
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SELLING EXPENSES

Advertisement Expenses	245906.00	286803.00
Clearing & Forwarding Expenses	161340.00	1563397.00
ECGC Premium	383389.00	509836.00
Claim for Quality & Repair	427015.67	-3873.00
Exchange Rate difference (import)	169794.43	0.00
Incentive Clearance Exp	12860.00	40957.00
Freight & Cartage Outward	1376820.00	279091.00
Inspection Fee	27151.00	22735.00
Licence Fee	89544.00	48354.00
Sales Promotion Expenses	330917.37	575864.43
Sales Commission	803061.84	1786937.00
Sales Royalty	164384.00	355717.00
Discount On Sale	1317.00	2194.00

Total (B)	<u>4193500.31</u>	<u>5468012.43</u>
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MAYUR LEATHER PRODUCTS LTD.

ADMINISTRATION EXPENSES

Books & Periodicals	2025.00	1204.00
Bad Debts (Resturant)	0.00	4601.00
Conveyance Expenses	580098.00	377250.00
Consultancy Charges	0.00	5000.00
Claim & Compensation	135799.00	108692.00
Horticulture Expenses	0.00	285.00
Postage & Courier Expenses	222501.69	262214.00
Donation	107000.00	136000.00
ISO Expenses	25000.00	47060.00
Insurance Premium (Vehicle)	88777.00	41905.00
Profit on Forward Cancellation	76213.00	0.00
Lease Rent	0.00	28494.00
Laundry Expenses (Resturant)	25475.00	16365.00

Payment to Auditors

-Statutory Audit Fees	77210.00	77210.00
-Tax Audit	22060.00	22060.00
-Other Services	13357.00	19089.00
Legal & Professional Expenses	1042433.00	1010478.00
Listing Fees & Secretarial Comp. Expenses	373250.00	376357.00
Membership Fees & subscription	283041.96	228436.79
Miscellaneous Expenses	114126.00	128282.00
Miscellaneous Balances Writen Off	110547.24	18096.74
Printing and Stationery	386169.00	235084.00
Rent, Rates & Taxes	5404496.00	4454452.00
Repairs & Maintenance -General	125220.00	385669.00
Repair & Maintenance-Vehicle	130044.00	137739.00
Registration Fees (Resturant)	0.00	500.00
Subscriptions (Resturant)	0.00	3500.00
Interest on Car loan	58517.00	46961.00
Telephone Expenses	610020.85	594791.56
Service Tax on Transport	0.00	-8414.00
TDS Expenses	5438.00	75.00

Travelling Expenses

-Foreign	790054.85	153613.69
-Local	121329.00	229422.00
General Exp. (Restaurant)	0.00	20000.00

Total (C)	10930202.59	9162472.78
Total (A+B+C)	40228216.73	33593795.03



MAYUR LEATHER PRODUCTS LTD.

NOTE NO. 27

EXCEPTIONAL ITEMS

(Amount in Rs.)

	<u>AS AT 31.03.12</u>	<u>AS AT 31.03.11</u>
Loss on Sale of Fixed Assets	257175.62	161580.00
Loss by Fire in Transit	0.00	279714.00
Loss by Fire in PU plant	670594.00	0.00
Excess Provision Income Tax For Earlier year written back	0.00	(211044.00)
	927769.62	230250.00

NOTE NO. 28

CURRENT TAX

Provision for Income Tax (Current Year)	650000.00	100000.00
Excess Tax of Earlier Year	61310.00	0.00
	711310.00	100000.00

29. EARNING PER SHARE

Particulars	As on 31.03.12	As on 31.03.11
(i) Profit / (Loss) after tax	518905.95	867159.14
(ii) Weighted average No. of Equity Shares (Basic)	4834800.00	4834800.00
(iii) Weighted average No. of Equity Shares (Diluted)	4834800.00	4834800.00
(iv) Basic EPS (in Rs.)	0.11	0.18
(v) Diluted EPS (in Rs.)	0.11	0.18
(vi) Nominal Value of per Equity Share	10.00	10.00



MAYUR LEATHER PRODUCTS LTD.

30. DEFERRED TAXATION (in Lacs)

(A) Deferred Tax Liability

S. No.	Particulars	Deferred Tax Liability/Assets As on 1.4.2011	Charged / (credit) during the year	Deferred Tax Liabilities/Assets As at 31.3.2012
1.	Difference of Depreciation as per books	18.29	(3.87)	14.42

(B) Deferred Tax Assets 0.00 0.00 0.00

(C) Deferred Tax Liabilities Net (A-B) 18.29 (3.87) 14.42

Pursuant to Accounting Standard (AS) 22 Accounting for Taxes on Income, the company has recorded a net cumulative deferred tax liability of Rs. 18.29 Lacs upto 31-03-2011 as reduction is surplus in Profit & Loss Account. Further the impact of Deferred Tax Liability (Credit) of Rs. 3.87 Lacs for the year ended on 31.03.2012 has been credited to Profit & Loss Account.

31. EXPENDITURE IN FOREIGN CURRENCY

	Current Year (Rs.)	Previous Year (Rs.)
Traveling Expenses	307787.00	153614.00
Membership Fees	163561.00	31125.00
Sales Commission	638081.00	0.00
Repair & Maintenance	34917.00	319920.00
Sales & Business Promotion	0.00	203327.00
Royalty	164384.00	355717.00
Claims & Compensation for Quality & Development	562815.00	112901.00
Testing Fees	71101.00	0.00
	1942646.00	1176604.00

32. In absence of necessary information with the company relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said act could not be complied and disclosed.

33 SEGMENT INFORMATION

A Information about Primary /Secondary business segment.

PARTICULARS	SEGMENT										COMMON		CONSOLIDATED	
	UPPERS		SHOES				OTHERS		COMMON		CONSOLIDATED			
	As at 31-3-2012		AS AT 31-3-2012		AS AT 31-3-2011		As at 31-3-2012		As at 31-3-2011		As at 31-3-2012		As at 31-3-2011	
	EXPORT	EXPORT	LOCAL	EXPORT	LOCAL	EXPORT	LOCAL	EXPORT	LOCAL	As at 31-3-2012	As at 31-3-2011	As at 31-3-2012	As at 31-3-2011	
1	Segment Revenue	87,565,255	86,172,521	15,003,963	81,869,383	23,995,170	64,392,928	7,447,742	0	0	189,662,681	182,008,361		
	External Sales	10,288,931	9,485,541	10,628,160	10,628,160	126,457,89	13,462	0	0	0	20,917,091	22,144,792		
	Incentive Against Export	-	-	-	-	-	126,457,89	-	-	-	2,217,673	2,215,682		
	INCREASE DECREASE OF STOCK	-	-	-	-	-	-	-	-	-	-	-		
	TOTAL REVENUE	97,854,186	95,659,062	15,003,963	92,497,543	23,995,170	77,038,717	7,447,742	0	0	212,797,445	206,368,835		
2	Segment Result	666,420	1,494,123	1,877,156	385,423	3,057,343	4,441,169	935,492	0	0	594,069	1,169,893		
	Common Expenses	-	-	-	-	-	-	-	-	-	-	-		
	Common Income	-	-	-	-	-	-	-	-	-	-	-		
	Extraordinary Items	-	-	-	-	-	-	-	-	-	-	-		
3	Net Profit	666,420	1,494,123	1,877,156	385,423	3,057,343	4,441,169	935,492	0	0	6,071,901	5,216,394		
4	Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-		
5	Depreciation	-	-	-	-	-	-	-	-	-	-	-		
6	Other Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-	-		
	Profit/Loss Before Tax	-	-	-	-	-	-	-	-	-	-	-		
7	Segment Assets	19,911,764	19,163,142	471,672	30,080,775	3,500,740	18,244,213	37,406	-	-	50,491,386	40,945,501		
	Common Assets	-	-	-	-	-	-	-	-	-	-	-		
	Current Assets other than Debtors	-	-	-	-	-	-	-	-	-	-	-		
	Total Assets	-	-	-	-	-	-	-	-	-	240,820,349	239,318,146		
8	Segment Liabilities	-	-	-	-	-	-	-	-	-	-	-		
	Common Liabilities	-	-	-	-	-	-	-	-	-	-	-		
	Total Liabilities	-	-	-	-	-	-	-	-	-	85,437,246	81,635,049		

B Other Disclosers

1 Segment have been identified in line with the Accounting Standard (AS-17)

2 The Company has disclosed business segment as the primary segment. Segments have been identified taking into account nature of product, the differing risk & returns, the organisation structure and internal reporting system. Company is also engaged in resurtenant activity but being turnover of the same is not material and reportable as different segment hence treated as part of other activity.

3 The company mainly engaged in Export sales., Geographical Segment is identified in line with the Accounting Standard AS-17,

4 Segment Revenue, Segments result, Segments assets and Segments Liabilities include the respective amounts identifiable to each of the segment as also amount allocated on a reasonable basis. The expenses which are not directly allocable to the business segment are shown as common expenses. Assets and liabilities that can not be allocated between the segment are shown as common Assets/Liabilities respectively.



MAYUR LEATHER PRODUCTS LTD.

34. VALUE OF IMPORT (CIF)	Current Year (Rs.)	Previous Year (Rs.)
Raw Material	21218657.00	27128236.00
Plant & Machinery	1942433.00	0.00
	23161090.00	27128236.00

35. EARNING IN FOREIGN CURRENCY

	<u>Current Year (Rs.)</u>	<u>Previous Year (Rs.)</u>
Export at FOB Value	169627160.00	151525854.00

36. RELATED PARTY INFORMATION

(1) Relationship

- (a) (a1) **Group Companies** Nil
- (b) **Individuals having substantial interest or significant influence in the enterprise directly or indirectly**
- | | | |
|-------|--------------|----------|
| (i) | K.D. Agarwal | Director |
| (ii) | R.V. Gupta | Director |
| (iii) | Amita Poddar | Director |
| (iv) | R.K. Poddar | Director |
- (c) **Key Management Personnel**
- (i) Mr. R. K. Poddar (Managing Director upto 15th October, 2011)
- (d) **Relatives of Persons referred in B above, where transactions have taken place**
- (i) Mr. R.K. Poddar (Managing Director)
- (ii) Mr. Akhilesh Poddar
- (e) **Subsidiary Company**
- (i) Mayur Abodes Limited
- (f) **Other Related Parties**
- (i) Mayur Uniqouters Limited
- (ii) Mayur Industries Limited

Note :-

- 1) Related Party relationship on the basis of the requirements of Accounting Standard (AS) 18 Related Party Disclosure as in A to F above is pointed out and relied upon by the auditor.
- 2) The parties listed in 1F above are strictly not 'related parties' as per requirements of AS-18, but are being included herein for making the financial statements more transparent.
- 3) Previous year figures are denoted in Brackets.

(2) **Transaction with Related Parties**

Particulars	Referred in										
	1(a)	1(b)				1(c)	1(d)		1(e)	1(f)	
	a(i)	b(i)	b(ii)	b(iii)	b(iv)	c	d(i)	d(ii)	e(i)	f(i)	f(ii)
Purchase Raw Material & Consumables										6.39 (7.42)	
Sale of Product/ License										2.87 (0.00)	
Scarp Sale									2.60 (0.00)		
Processing charges paid									78.93 (0.00)		
Loans And Advances									34.86 (0.00)		
Rent Paid									2.60 (0.00)		
Sale of Fixed Assets									102.01 (0.00)		
Remuneration (Included PF, Bonus, Leave encashment)					12.24 (16.71)	12.24 (16.71)	12.24 (16.71)	2.89 (1.58)			
Gratuity					10.00 (0.00)	10.00 (0.00)	10.00 (0.00)				
Investment in Equity shares									373.25 (400.00)		
<u>Guarantee & Collaterals</u>											
Personal Guarantee		500 (500)	500 (500)	500 (500)	500 (500)	500 (500)	500 (500)				

37. Pursuant to the AS-29 Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to Provisions made in the accounts for the year ended 31st March, 2012 are as follows :-

<u>Provisions</u>	<u>Current Year</u>	<u>Previous Year</u>
<u>Income Tax</u>		
Opening Balance	100000.00	1875000.00
Additions During the year	650000.00	100000.00
Utilizations During the year	161130.00	1663956.00
Reversals During the year	(61130.00)	211044.00
Closing Balance	650000.00	100000.00
<u>Proposed Dividend</u>		
Opening Balance	1208700.00	4834800.00
Additions During the year	2417400.00	3626100.00
Utilizations During the year	1208700.00	7252200.00
Reversals During the year	0.00	0.00
Closing Balance	2417400.00	1208700.00



MAYUR LEATHER PRODUCTS LTD.

Tax on Dividend		
Opening Balance	200750.00	821674.00
Additions During the year	401500.00	602250.00
Utilizations During the year	200750.00	1223174.00
Reversals During the year	0.00	0.00
Closing Balance	401500.00	200750.00

38. **LEASES**

As a Lessee

(1) **Finance Lease**

There is no Finance Lease taken by the Company during the year.

(2) **Operating Lease**

(i) The total of future minimum lease payments under non-cancelable operating lease foreach of the following periods :-

(a) Not later than one year	Nil
(b) Later than one year and not later than five years	Nil
(c) Later than Five Years	Nil

(ii) Lease payments recognized in the statement of profit & loss for the year ended on 31st March, 2012 is Rs. 48.76 Lacs.

(iii) The Company has not given any sub-lease during the year.

39. **CONTINGENT LIABILITIES**

	Current Year (Rs.)	Previous Year (Rs.)
Contingent Liabilities	NIL	NIL

40. Company has accounted Export benefit on account of Duty Credit Scrip (Focus Product) on the basis of Export Invoices raised during the year.

41. In the opinion of the management and to the best of their knowledge and belief the value of realization of advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance sheet.

42. The debit & credit balances of suppliers are subject to confirmation and reconciliation.

43. The Company did not have convertible, partly convertible debentures as on 31st March, 2012.

44. Figure in brackets denotes figures for previous year ended on 31st March, 2011.

45. **PREVIOUS YEAR FIGURES**

The financial statements for the year ended 31st March, 2011 had been prepared as per



MAYUR LEATHER PRODUCTS LTD.

the then applicable pre-revised Schedule VI of the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified and rearranged to conform to this year's classification. The adoption of Revised Schedule VI for the previous year figure does not impact recognition and measurement principles followed for preparation of Financial Statements.

for MAYUR LEATHER PRODUCTS LIMITED,
JAIPUR

(RAJENDRA KUMAR PODDAR) (AMITA PODDAR)
DIRECTOR DIRECTOR

For MADHUKAR GARG & COMPANY
Chartered Accountants
FRN 000866C

(SUNIL SHUKLA)
PARTNER
M.No. 071179

Place : JAIPUR
Date : 30-05-2012



MAYUR LEATHER PRODUCTS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

(Rs. in Lacs)

PARTICULARS	for the Year Ended	
	31.03.2012	31.03.2011
A Cash Flow From Operating Activities		
Profit before tax	8.43	8.70
Depreciation	46.35	55.16
Interest (Net)	(11.28)	(19.26)
Profit/Loss from sale of Fixed Assets	9.28	1.62
Provision for Bad & Doubtful Debts	0.00	0.00
Dividend	(0.13)	(0.09)
Cash Flow before working capital changes	52.65	46.13
Trade & Other Receivables	(95.46)	(167.31)
Inventories	29.19	(49.00)
Trade Payables	(68.32)	184.31
Loans & Advances & other Current Assets	(82.16)	(10.68)
Cash Generation from Operartion	(164.10)	3.45
Interest paid	(39.06)	(24.72)
Direct Taxes paid	18.89	(28.32)
Dividend paid	(12.09)	(72.52)
Tax on Dividend paid	(2.01)	(12.23)
Net Cash from Operating activities	(198.37)	(134.34)
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase / Sale of Investment (Net)	26.75	(23.75)
Dividend Received	0.13	0.09
Interest received on FDR and Loan	50.34	43.98
Purchase / Acquisition of Fixed Assets	(43.19)	(38.47)
Sale of Fixed Assets	116.86	12.70
Net Cash flow from investment activities	150.89	(5.45)
C CASH FLOW FROM FINANCING ACTIVITIES		
Issued Capital	0.00	0.00
Secured Loans	90.62	155.63
Unsecured Loan	0.00	0.00
Dividend	0.00	0.00
Net Cash flow from Financing activities	90.62	155.63
Net increase/Decrease in Cash & Cash Equivalents	43.14	15.84
Opening Balance of Cash & Cash Equivalents	27.64	11.80
Closing Balance of Cash & Cash Equivalents	70.78	27.64

for Mayur Leather Products Limited

(RAJENDRA KUMAR PODDAR) (AMITA PODDAR)
Director Director

AUDITORS' CERTIFICATE

We have examined the above cash flow statement of MAYUR LEATHER PRODUCTS LIMITED for the year ended 31 st March, 2012 The Statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 and is based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated to the members of the company.

For M/S. MADHUKAR GARG & CO.
CHARTERED ACCOUNTANTS
FRN 000866C

Place : Jaipur
Date : 30-05-2012

SUNIL SHUKLA (PARTNER) M.NO. 71179



MAYUR LEATHER PRODUCTS LTD.

ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)

MANDATE FORM

Shareholders' Authorization to receive dividend through Electronic Credit Clearing Mechanism

1	Name of the first/ sole shareholder
2	Regd. Folio No./ DP Client ID
3	Particulars of bank account of first/ sole shareholder
	a. Name of the bank
	b. Branch
	Address of the branch
	Telephone No. of the branch
	c. 9 digit code number of the bank and branch appearing on the MICR cheque issued by the bank
	d. Account Number (As appearing on the cheque book/ passbook)
	e. Account Type (S.B. account/current account or cash credit) with code 10/11/13
	f. Ledger No./ Ledger folio No. (if appearing on the cheque book/ passbook)
(In lieu of the bank certificate to be obtained as under, please attach a blank cancelled a cheque or the front page of the saving bank passbook issued to cheque or photocopy of you by your bank for verification of the above particulars)	
I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I will not hold Mayur Leather Product Ltd. responsible. I have read the option invitation letter and agree to discharge the responsibility expected of me as a participant under the scheme.	
Date :	
Place :	Signature of the shareholder
Certified that the particulars furnished above are correct as per our records	

Bank's Stamp
Date :

Signature of Authorised Official from the Bank

Notes:

- Please fill in the attached Mandate Form and send it to:
 - the Depository Participant who is maintaining your demat account in case your shares are dematerialised.
 - the address of our Registrars and Share Transfer Agents M/s. Link Intime India Pvt. Limited, A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi 110 028 in case you are holding physical share certificates.
- Kindly note that the information provided by you should be accurate and complete in all respects and duly certified by your bank. In lieu of the bank certificate, you may attach a blank cancelled cheque or photocopy of a cheque or the front page of the Savings Bank passbook issued to you by your bank, for verification of the above.
- In case of more than one folio, please complete the details on separate sheets.
- The information provided by you will be treated confidential and would be utilized only for the purpose of effecting the payments meant for you. You also have the right to withdraw from this mode of payment by providing the Company with an advance notice of 6 weeks.



MAYUR LEATHER PRODUCTS LTD.

ATTENDANCE SLIP

MAYUR LEATHER PRODUCTS LIMITED

Registered Office : G-60-62 & 67-69, Jaitpura Industrial Estate, Jaitpura 303 704, Jaipur.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional slip at the venue of the meeting.

DP ID*	
Client ID*	

Master Folio No.	
------------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

No. of Share(s) held :

I hereby record my presence at the **27th ANNUAL GENERAL MEETING** of the Company held on Saturday, the 28th of July, 2012 at 03:30 P.M.. at : G-60-62 & 67-69, Jaitpura Industrial Estate, Jaitpura 303 704 Jaipur

Signature of the shareholder or proxy

* Applicable for investors holding shares in electronic form.

PROXY FORM

MAYUR LEATHER PRODUCTS LIMITED

Registered Office : G-60-62 & 67-69, Jaitpura Industrial Estate, Jaitpura 303 704, Jaipur.

I/We..... of
..... being a member/members of Mayur Leather Products
Limited hereby appoint.....of
.....or failing him.....of
..... or failing him of
..... as my / our proxy to vote for me/us and on my/our behalf at the
27th Annual General Meeting to be held on Saturday, the 28th of July, 2012 at 03:30 P.M. or at any
adjournment thereof.

Signed this Day of 2012

Signature

Affix
Re.1
Revenue Stamp

* Applicable for investors holding shares in electronic form.

NOTE: (1) The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
(2) Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional form on request.