

DIRECTOR'S REPORT

To,
Dear Members,
Mayur Leather Products Limited.

Your Directors have pleasure in presenting their 30th Annual Report on the business and operations of your Company along with Audited Financial Statements Annual Accounts for the Financial year ended 31st March, 2015.

1. FINANCIAL RESULTS

The financial performance of the Company for the year ended on 31st March, 2015 is as follows:

Particulars	<u>31.03.2015</u>	<u>31.03.2014</u>
Turnover (FOB)	2,80,801,668.00	2,31,021,672.64
Other Income	10,859,279.60	10,612,583.16
Less: Total Expenditure	273547783.55	2,16,818,221.89
Profit before interest, depreciation and tax	18113164.05	24,816,033.91
Interest	5,247,576.55	3,522,816.18
Depreciation	6012565.72	3,771,248.00
Profit before Exceptional & extra - ordinary items & Tax	6853021.78	17,521,969.73
Less: Exceptional Item	10,660.00	1,732,759.85
Add/Less: Extra Ordinary Items	-	-
Profit before Tax	6842361.78	15,789,209.88
Less: Deferred tax	(8,88,085.00)	(1,019,729.00)
Less: Income tax	2,822,063.00	6,271,373.00
Net Profit/ (Loss) after Tax for the year	4908383.78	10,537,565.88
Profit/ (Loss) brought forward	78970942.80	74308524.92
Fixed Assets Carrying Amount Revert	1559622.25	
Profit available for appropriation	85438948.83	84846090.80
Appropriations:		
Interim Dividend on Equity Shares for the year	2417400.00	2417400.00
Proposed dividend on equity shares	2417400.00	2417400.00
Tax on proposed dividend	966676.00	840348.00
Transfer to general reserve	2,00,000.00	2,00,000.00
Fixed Assets Written Off	587406.94	0.00
Deferred Tax Liability adjusted due to Schedule II Effect	300848.00	0.00
Balance carried forward	78549217.89	78970942.80

Previous year figures have been re-grouped and rearranged wherever considered necessary.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

2. OPERATIONS

Currently in India, the national economy and marketplace is undergoing rapid changes and

transformation. The volatility in the macroeconomic environment during the FY 2014-15 continued to cast its shadow and most of the markets where Mayur Leather operates, were impacted. Today the companies are operating in such a marketplace where the survival of the fittest is the law. Even in this environment, the Company recorded an exemplary financial performance. The major contributing factors for such all-round performance across all the geographies and industry verticals was the Company's customer-centric approach and its ability to innovate customer specific products, focus on pricing, disciplined execution of complex projects and the rigor in following strong internal processes. This coupled with favorable foreign exchange rate provided better profit margin.

Changing economic scenario and business conditions, evolving consumer preferences, rapid technological innovations and adoption and globalization are driving Mayur Leather to transform the manner in which they operate.

Major challenge is high inflation rate in India and shortage of Leather. This is posing a big problem as the acceptability selling price does not increase in the same ratio as compare to increase in cost of Raw Material. Especially Leather which has been increasing 15% to 25% per annum along with shortage of availability is a huge challenge. Your Company is now focused on its core business objective i.e. growth, profitability and asset efficiency.

During the year 2013- 14, revenue from operation increased by 6.21% as compared to year 2012-2013 and in current year we have achieved 21.55% increment as compared to previous year.

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
2012 - 13	Rs. 2175.13 Lacs	Rs. 65.49 Lacs	Rs.2240.62 Lacs
2013 - 14	Rs. 2310.22 Lacs	Rs. 106.13 Lacs	Rs.2416.35 Lacs
2014 - 15	Rs. 2808.02 Lacs	Rs. 108.60 Lacs	Rs. 2916.62 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 and product profile
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. We are also making efforts to develop addition customers in the middle east to support these efforts.
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% incomparison with the year 2009-10.During the year 2011-12 & 2012-13 due to recession effect on local market our local turnover was stable in both the years, it was around 1.50 Crore in each year. During the F.Y. 2013-14 we achieved a target sale of 63860 Pairs in domestic Market valued at Rs 3.78 Crore Approx. which is a tremendous increment in domestic sales almost 152 % as compared

	to Previous Year. In Current Year the scale has got higher by sale of 92191 Pairs in Domestic Market valued at 6.72 Crore Approx. Efforts are on to increase local market hence to supplement decrease in export market. However the thrust is to enter the Indian market in a big way as even in India people are moving towards safety consciousness and demand is slowly increasing for quality safety footwear even though price expectation is a challenge. We expect to supplement the decrease in demand in Europe due to recession with increase in domestic supplies.
e.	Company working very hard to enter into Domestic Institutional Sales to Government Paramilitary and Police Departments.

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 1.33 to 1.11. Exchange rate is difficult to predict, but it is a global phenomenon and both the exporters and the importers in Europe will have to find a solution to it. The rate of US dollar is in favors of export market it has been increased from 59.95 to 61.50 as compared to previous year.

We have also gone in for diversification. The idea is to expand business areas in same line of business and for the purpose of the same the Company intends to enter into business of Sandals/sleepers also.

The Company acknowledges the importance of the plant and employees as the base behind the success of the Company. Your Company believes that it's the teamwork of the employees which enables Company to reach the new heights. The Company is committed to work together keeping in full trust on each other and strive to keep itself in the high growth trajectory to achieve newer heights.

3. RESERVES

For the period under review the Board proposes to transfer Rs 2.00 Lacs to General Reserve Account of the Company.

4. DIVIDEND

Your Company has always strived to maintain a balance by providing an appropriate return to the shareholders while simultaneously retaining a reasonable portion of the profit to maintain healthy financial leverage with a view to support and sustain the future growth. Company has a concerted dividend policy which ensures the availability of sufficient distributable income to its members. Your Company has paid 1 (One) interim dividend of Rs.0.50 per equity share of Rs 10/- each (i.e.5%) during the financial year ended on 31st March 2015. Board of Directors is pleased to recommend final dividend of Rs. 0.50 per equity share of Rs. 10/- each (i.e. 5%), for the year 2014-15 subject to approval of Shareholders in the Annual General Meeting.

The total outgo on account of dividend payment, including dividend tax, is Rs.58.01 Lacs.

5. EXTRACT OF ANNUAL RETURN

Relevant extract of Annual Return as on the Financial Year ended on March 31st, 2015 is given in **ANNEXURE II** to this Report.

6. MEETINGS OF THE BOARD

Eleven (11) meetings of the Board of Directors were held during the year. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement. For further details, please refer report on Corporate Governance of this Annual Report.

7. DEPOSITS

In the beginning of the Financial Year 2014-15, there were no deposits lying with the Company and further it is clarified that no money have been received which fall under the category of deposits during the Financial Year 2014-15.

8. CAPITAL STRUCTURE

During FY 14-15, there is no change in the capital structure of Company. The Authorised Share Capital of Company is Rs. 5.80 Crores and Paid up share Capital of Company is Rs. 4.83 Crores.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Rajendra Kumar Poddar (DIN: 00143571), Director of the Company whose period of office is liable to retire by rotation pursuant to provisions of Company Act, 2013 and Article 39 of the Articles of Association of the Company retires by rotation at the ensuing AGM and being eligible offers himself for reappointment.

During the year under review, Board of Directors has confirmed the appointment of Mr. Nitesh Kumar Kumawat, DGM Corporate of the company as Chief Financial Officer in the category of key managerial personnel [KMP] of the Company with effect from May 30, 2014 and further with effect from same date re-designated Mr. Rajendra Kumar Poddar, CEO of the company in the category of key managerial personnel [KMP] of the Company. Moreover the Board has confirmed the redesignation of Ms. Amita Poddar as a Chairman of the Company w.e.f 31.07.2014.

Further, During the year under review, pursuant to the provision of Section 203 read with Sections 2(19) & 2(51) of Companies Act, 2013 and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013 and clause 47(c) of Listing agreement holding the prescribed qualification under Section 2(24) of the Companies Act, 2013, Board of Directors appointed Ms. Swati Dubey as a Whole time Secretary of the Company in the category of key managerial personnel [KMP] of the Company with effect from August 09, 2014.

10. APPOINTMENT OF INDEPENDENT DIRECTOR

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years, but shall be eligible for reappointment on passing of a special resolution by the Company and shall not be liable to retire by rotation. The Independent Directors i.e., Mr. Madhusudan Prasad Kejriwal & Mr. Madhukar Chaturvedi have affirmed that they continue to meet all the requirements specified under sub-section (6) of Section 149 of the Companies Act, 2013 in respect of their position as an "Independent Director" of Mayur Leather Products Limited.

• **DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

11. FORMAL ANNUAL EVALUATION

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors.

The Company have also engaged the professionals for looking at the best practices prevalent in the industry and advising with respect to evaluation of board members. On the basis of recommendations of the professionals and the policy for performance evaluation of Independent Directors, Board, Committees and other individual directors, a process of evaluation was followed by

the board for its on performance and that of its committees and individual directors. The details of programmes for familiarization of independent directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the Company and related matters have been elaborately devised by the top management and efforts are being made to create the awareness about the same and the same has been posted as Company's website www.mayurgroups.net.

12. COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Company has constituted the Audit Committee in line with the provision section 177 (1) of the Companies Act, 2013 and the listing agreement entered by the Company with the stock exchanges. The Audit Committee comprises Independent Directors namely Shri Madhukar Chaturvedi (Chairman) and Shri Madhusudan Prasad Kejriwal and Mrs. Amita Poddar as other members. All the recommendations made by the Audit Committee were accepted by the Board. For further details kindly refer Report on Corporate Governance annexed with the Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted the Nomination and Remuneration Committee in line with the provision of the Companies Act, 2013 and the listing agreement entered by the Company with the stock exchanges. The Nomination and Remuneration Committee comprises Independent Directors namely Shri Madhusudan Prasad Kejriwal (Chairman) and Madhukar Chaturvedi and Shri Rajesh Virendra Gupta as other members. For further details kindly refer Report on Corporate Governance annexed with the Annual Report.

The policy formulated by Nomination and Remuneration Committee on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters as specified under section 178(3) of the Companies Act, 2013 and same was approved by the Board of Directors of the Company.

STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Company has constituted the Stakeholder's Relationship Committee in line with the provision of the Companies Act, 2013 and the listing agreement entered by the Company with the stock exchanges. The Stakeholder's Relationship Committee comprises Independent Directors namely Shri Madhusudan Prasad Kejriwal (Chairman) and Madhukar Chaturvedi and Shri Rajendra Kumar Poddar and Mrs. Amita Poddar as other members. For further details kindly refer Report on Corporate Governance annexed with the Annual Report. Ms. Swati Dubey acts as a Compliance Officer for this Committee.

13. AUDITOR'S OF THE COMPANY:

STATUTORY AUDITOR

M/s. Madhukar Garg & Co., Chartered Accountants, Jaipur having FRN 000866C were appointed as Statutory Auditors of your Company at the last Annual General Meeting held on 08th September, 2014 for a term of three consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained a written certificate from the above mentioned Auditors to the effect that they conform with the limits specified in the said Section and that they are not disqualified for appointment within the meaning of Section 141 of the said Act.

As required under clause 41 of Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the peer review Board of ICAI.

STATUTORY AUDITOR'S REPORT

The qualification/observation of the Auditor's given in the Auditor's Report are self-explanatory and have been explained/ clarified, wherever necessary, in the notes to the Financial Statements.

Further Company failed to comply with provisions of Sec. 123 sub clause (4) of companies Act 2013 with regard to deposit of interim dividend in schedule bank in a separate account within five days from the date of declaration of dividend due to addition in the bank paper formalities for opening of bank account and henceforth delay occurred on the event of liaisoning with the Bank regarding the same and resultantly getting the documents signed by Authorized Signatory of the Company. Though there was delay in deposit of interim dividend in schedule bank in a separate account but the company dispatched all the dividend warrants within thirty days of declaration of dividend so that no inconvenience will be caused to our shareholder.

SECRETARIAL AUDITOR

The Board has appointed M/s Jaks & Associates, Practicing Company Secretaries to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as **ANNEXURE I** to this Report.

The Company is pleased to inform M/s V. M. Associates, Company Secretaries in practice, Jaipur as Secretarial Auditor of the Company to carry out Secretarial Audit of the Company for the financial year 2015-16.

SECRETARIAL AUDITOR'S REPORT

The Secretarial Audit Report for the financial year ended 31st March, 2015 is self-explanatory and have been explained/clarified, wherever necessary.

Further with reference to the lack of independent director in the composition of the Board as per Listing Agreement, Company is sincerely in process to appoint an Independent Director. There is no malafide intention of the company behind the delay in the appointment of an Independent Director.

COST AUDITOR

The requirement of Cost Audit in your industry has been excluded/removed in The Companies (Cost Records and Audit) Rules, 2014, issued by the Ministry of Corporate Affairs vide its notification dated 30th June, 2014. Therefore, no appointment was made of the Cost Auditor to carry out the Cost Audit for the financial year ended 31st March, 2015.

14. HUMAN RESOURCE DEVELOPMENT

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 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 aspirations of employees in India remain to be high. This is a challenge as only growth can fulfill these aspirations and in today's market scenarios one has to perform extraordinarily to achieve growth.

The Company has always provided a congenial atmosphere for work to all sections of the society. Your Company is committed to respect universal human rights. To that end, the Company practices and seeks to work with business associates who believe and promote these standards. The Company is

committed to provide equal opportunities at all levels, safe and healthy workplaces and protecting human health and environment. The Company provides opportunities to all its employees to improve their skills and capabilities. The Company's commitment extends to its neighboring communities to improve their educational, cultural, economic and social well-being. Your Company is an equal opportunity employer and does not discriminate on the grounds of race, religion, nationality, ethnic origin, color, gender, age, citizenship, sexual orientation, marital status or any disability not affecting the functional requirements of the position held.

15. CORPORE SOCIAL RESPONSIBILITY

Our key Strategy for Corporate Social Responsibility is to mobilize core competencies and resources of business, public organizations and Government Institutions.....to facilitate their working in partnership on projects that benefit communities. We also feel strongly about giving back to our community. We believe everybody deserves to be treated with dignity and respect, regardless of their personal circumstances, and offered the skills, knowledge and assistance they need to help themselves lead healthy and productive lives. Though the Company doesn't fall under the ambit of Section 135 of Companies Act, 2013, but still Company has implemented following activities to fulfill corporate social responsibility in the financial year 2014-15:

- eradicating extreme hunger and poverty;
- promotion of Education;
- promoting gender equality and empowering women;
- reducing child mortality and improving maternal health;
- combating human immunodeficiency virus, acquired, immune deficiency syndrome, malaria and other diseases;
- ensuring environmental sustainability;
- employment enhancing vocational skills;
- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

16. DELISTING OF EQUITY SHARES

The members have passed a special resolution in the Annual General Meeting of Company held on 10th July, 2004 permitting the Company to delist its shares from the regional stock exchanges of Delhi, Kolkata, Jaipur and Ahmedabad. As on date, out of the above-stated four stock 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.

17. DISCLOSURE OF SUBSIDIARY AND ASSOCIATE COMPANY

However, the Company exercises significant influence (32.26%) over its Associate Company i.e. "Mayur Global Private Limited". Mayur Global Private Limited is a Footwear Manufacturing company established to fulfill the export demand of leather Footwear.

18. RISK MANAGEMENT POLICY

Your Company has an elaborate Risk Management procedure, which is based on three pillars: Business Risk Assessment, Operational Controls Assessment and Policy Compliance processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Some of the identified risks relate to competitive intensity and cost volatility.

To sustain and grow in global market one must be ready for some level of uncertainty. Greater the uncertainty, higher the risk. The risk management function is integral to the Company and its

objectives include ensuring that critical risks are identified, continuously monitored and managed effectively in order to protect the Company's business. The Company operates in an environment which is affected by various factors some of which are controllable while some are outside the control of the company. The Company proactively takes reasonable steps to identify and monitor the risk and makes efforts to mitigate significant risks that may affect it. Some of the risks that are potentially significant in nature and need careful monitoring are listed here under:

- Macroeconomic Factors
- Political Factors
- Product portfolio
- Competition from product launches
- Talent acquisition & retention
- Continuance and growth of channel partners
- High dependence on suppliers
- Geographic concentration
- Changes in government policy and legislation
- Chinese Competition
- Raw Material Price Increase
- Foreign Exchange Fluctuation

19. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

20. 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.

21. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 and Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, your Directors confirm that:

- a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

22. PARTICULARS OF EMPLOYEES

There are no employees in the Company whose particulars are required to be disclosed in terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **ANNEXURE III** to this Report .

23. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement. (Please refer to Note 13 and 17 to the standalone financial statement).

24. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Companies Act, 2013 and Equity Listing Agreement, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at www.mayurgroups.net. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Equity Listing Agreement.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 is disclosed in Form AOC 2 ANNEXURE IV is annexed to this report.

Your Directors draw attention of the members to Note 35 to the financial statement which sets out related party disclosures.

25. VIGIL MECHANISM

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee.

26. CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report along with the requisite Certificate from Company Secretaries in Practice, as stipulated, is annexed to this Report.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required to be disclosed pursuant to Section 134(3)(m) of the companies act, 2013 read with Rule 8 of companies (Accounts) Rules, 2014, the particulars of technology absorption and foreign exchange earnings and outgo is provided as under.

CONSERVATION OF ENERGY

The company is undertaking regular periodic energy conservation measures:-

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
A. POWER AND FUEL CONSUMPTION		
a) Electricity :		
Purchased Units	320433	292990
Total Amount (in Rs.)	2237865	1968942
Rate / Unit (Rs.)	6.98	6.72
b) Own Generation :		
Through Diesel Generator		
Units		
FO / HSD (Ltrs.)		
Total Amount (in Rs.)	141690	197645
Units Per Ltr. of Fuel	2400	3600
Oil/Gas	59.03	54.90
Cost / Unit (Rs.)		
c) Steam :		
Through Furnace Oil	N.A.	N.A.
Total Amount (Rs.)		
Litres (Furnace Oil)		
Rate / Ltrs(Rs.)		
Through Coal / Lignite	N.A.	N.A.
Total Amount (Rs.)		
Coal (Kgs.)		
Rate / Kgs (Rs.)		
Total Steam Amount (Rs.)		
Total Amount	2379555	2166587
B. CONSUMPTION PER UNIT PRODUCTION		
Products : Shoes (in Pairs.)	384656	325860
Energy Consumption Per Pairs (in Rs.)	6.19	6.65

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. During the year company has spend Rs.9,51,597.00 (previous year Rs. 4,75,485.00) on R & D expenditure, which is debited in financial books.

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 slowdown, the export market of the regular products has been badly affected. This is being countered by two activities: -

- Re-align fresh business from existing customers with new products.
- Develop an Indian Market Network.

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

(Amount in Rs. Lacs)

Earning:

Export (FOB)

1881.29

Outgo:

Travelling expenses	1.72
Claim & compensation for quality & Development	0.00
Raw material	228.34
Sales Commission	0.00
Rep airs & Maintenance	0.00
Plant & machinery	0.00
Membership Fees	1.82
Testing fees	0.00
Royalty	0.00

TOTAL OUTGO

231.88

28. INTERNAL AUDITOR

As per Section 138 of Companies Act 2013, every Listed Company is required to appoint an Internal Auditor or a firm of Internal Auditors.

The directors are pleased to confirm the appointment of M/s. Varma Prashant & Associates, as Internal Auditors of the company.

29. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. There was no fraud which has been reported to the Audit Committee / Board but not to CG during the year under review.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

30. ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for assistance and co-operation received from the Bankers, Central & State Government, Local Authorities, Clients, Vendors, Advisors, Consultants and Associates at all levels for their continued guidance and support. Your Directors also wish to place on record their deep sense of appreciation for their commitment, dedication and hard work put in by every member of the Company.

To them goes the credit for the Company's achievement and to you, our shareholders we are deeply grateful for the confidence and the faith that you have always reposed in us.

For and on behalf of the Board of Directors

PLACE : JAIPUR
DATE : 14.08.2015

Sd/-
R.K. Poddar
Director
DIN:00143571

Sd/-
Amita Poddar
Director
DIN:00143486