



CHAIRMAN STATEMENT



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Thanks and Jai Hind

Best Regards,

Suresh Kumar Poddar

Chairman and Managing Director

DIN :-00022395

Jaipur, 27th May, 2016