



CHAIRMAN'S STATEMENT



Dear Valued Shareholders,

I feel enthused and honoured to reach you through your Company's 26th Annual Report. I take the opportunity to congratulate our Hon'ble Prime Minister of India in his landslide victory in the 2019 parliamentary election. We trust that the nation, under his vision and dynamic leadership will steer into an economic powerhouse with inclusive development. The tone of Hon'ble Prime Minister in his parliament house speech "Sabka saath, sabka vikas, sabka vishvas" inculcates the confidence in Indians. We have full trust and confidence that India under his visionary leadership will thrive much stronger, unite the nation, promote a prosperous, democratic and integrated development agenda.

Gross Domestic Product (GDP) growth in India in the fourth quarter of financial year 2018-19 slowed down more than expected to 5.8% from 6.6% in the previous quarter. This was the lowest quarterly GDP growth rate in the last five years. Annual GDP growth in financial year 2018-19 declined to 6.8% from 7.2% in 2017-18.

The Union Budget 2019 has maintained balance in fiscal discipline by keeping lower deficit at 3.3% of GDP, sustaining growth momentum and to make the Indian Economy \$3 Trillion economy in the current year with a vision to achieve \$5 Trillion by 2024-25. The Objective as it appears is to spur growth and development in the backdrop of slowing economy, weak consumption, rural distress, lack of job opportunities, investment and credit demand. The Government plans to invest Rs. 100 Lakh Crores in Infrastructure in next 5 years and proposes to set up an expert committee to study and evaluate the avenues of funds. The ten point Government's "Vision for the decade" amongst other includes building physical and social infrastructure, Digital India reaching every sector of the economy, Make in India with particular emphasis on MSMEs, Start-ups, Defence manufacturing, automobiles,

electronics, fabs and batteries and medical devices, Healthy society - Ayushman Bharat, well-nourished women and children, safety of citizens and Minimum Government interference with Maximum Governance.

The Growth in the core sector of the economy fell to 2.6 percent in April, down from 4.9 percent in March, as most sectors saw growth tapering off while usual performance in the infrastructure segment put up a poor show. Data release by the Commerce and Industry Ministry on 28th May, 2019 showed that the eight core sector industries i.e. Coal, Crude Oil, Natural Gas, Refinery Production, Fertiliser, Steel, Cement and Electricity saw slow growth in April after a rebound.

I am very optimistic that India will overcome all the hurdle, obstacles and will become developing to developed country in coming years. If India wants to become \$5 Trillion economy by 2024-25, we need to increase our export by a minimum of 10% - 15% year to year.

Your Company supplies artificial leather to footwear segment. The India footwear market is expected to exhibit remarkable growth in coming years on account of rapid urbanization, growing employment, and improved standard of living. Robust growth of the fashion and lifestyle industry has expanded the scope of footwear business in India.

Your Company is also providing artificial leather into Auto Replacement sector and as per market report India is expected to emerge as the World's third largest passenger vehicle market by 2021. Indian Government and the industry has set a target to triple industry revenues, to \$300 billion, and expand exports sevenfold to \$80 billion. If these targets are achieved, it is estimated that the sector could contribute more than 60 million additional direct and indirect jobs, and the result could be improved manufacturing competitiveness and reduced emissions.

To tackle emissions, the government seeks to bring local standards up to par with global standards, enabling India to leapfrog from BS-4 to BS-6 emissions (the Euro 6 equivalent) by 2020. Additionally, India has implemented Corporate Average Fuel Efficiency norms in which the manufacturers have to improve their fuel efficiency by 10 percent between 2017 and 2021 and by 30 percent or more from 2022. With this growth in mind, we set out our growth target of 10% to 15% in next 3 years and further 15% to 20% after 3 years in the automobile sector.

PU leather has good elasticity, high tensile strength, and gives feel of three-dimensional structure look. It is soft, cleanable and has high abrasion. These properties have played a major role in increasing the product's market penetration in automotive, footwear, and furnishing sectors. High price of natural leather is also a critical factor that has propelled the need for its alternatives. Now I am glad to announce that your Company will commence PU plant production in the end of the September, 2019.

Financial year 2018-19 was a year of challenges, the prices of crude oil increased and as you know that our 80% of raw material is based on crude oil. In spite of the increase in crude oil price, as per market situation, during the year we have reduced our finished product price.

Despite of a weak demand, being a one of the market leader in artificial leather, your Company has reported decent operational performance in the financial year 2018-19. Your Company has achieved total revenue amounting to Rs. 594.89 Crore and the net Profit After Tax (PAT) amounting to Rs. 87.17 Crore on Standalone basis. While the total revenue amounting to Rs.612.92 and the net Profit After Tax (PAT) amounting to Rs. 89.58 Crores on Consolidated basis.

As your Company's phenomenal history, during the financial year 2018-19, your Board of Directors have declared 3 interim dividends of total amounting of Rs. 3.00 per shares i.e. 60% of face value of Rs. 5 each of the Company and your Board of Directors has recommended Rs. 0.25 per share as final dividend for the financial year 2018-19 to the shareholders in the ensuing Annual General Meeting.

I am pleased to share that your Company has made further investment of 13,700 Shares having face value of USD 1 per share at a rate of USD 73 per Share (face value USD 1 + Premium USD 72) in our Wholly Owned Subsidiary (WOS) i.e. Mayur Uniquoters Corp.

I would also like to share that Mayur Uniquoters Corp, WOS has made investment of 4,50,000 Shares having face value of USD 1 per share at a rate of USD 1 per share i.e. equivalent to 68.18% of paid up share capital of Futura Textiles Inc. After the acquisition of 4,50,000 shares Futura Textiles Inc became Step Down Subsidiary of Mayur Uniquoters Limited. Futura Textiles Inc is already established Company in Artificial/Synthetic Leather distribution network and will enhance the business development.

Your Company has received the following Rewards and recognition:

- FS Tech Supplier Convention 2019, Gold Award received on 20th April, 2019 at Gurugram (Haryana) for achieving special performance in Quality for the year 2018-19. Organized by TS Tech Sun India Pvt. Ltd.

- Best Employer's Award 2017, Award received on 12th January, 2019 at Jaipur. Organized by the Employers Association of Rajasthan.
- Rajasthan State Productivity Excellence Award 2016-17, Award received on 27th November, 2018 at Jaipur. Organized by Rajasthan State Productivity Council.
- 'Silver Award' & 'Bronze Award' received on 25th August, 2018 in Two Kaizens presented by teams of Dhodsar Plant in "CCQC-2018" 6th Sub Chapter Convention on Quality Concepts Organized by QCFI at MNIT, Jaipur.

On the path of quality, environmental, Occupational Health and Safety Management system, your Company had a successful transition of IATF 16949:2016, ISO 14001:2015, OHSAS 18001:2007.

Your Company is committed to be a responsible Corporate Citizen in the improvement of quality of life of our employees, their families and local community. We are actively engaged in working on promoting preventive health care, sanitation – undertaken construction of handwash stations and toilets in 100 schools in order to support Hon'ble Prime Minister's vision for health and sanitation in rural areas, making available safe drinking water, promotion of improved educational infrastructure and teaching aid. In order to encourage our academically inclined children, Mayur honours meritorious students of class 10th and 12th with gift cheques as an encouragement to pursue further studies. As an endeavour to support population control, we are actively involved in family planning programmes in Phagi Village. Immunisation projects for children since the past 15 years is a huge success. Vocational training is one of our prime focus to financially empower women.

We take immense pleasure to share with you that Mayur sponsored sportsman Mr. Krishna Sharma is taking part in World Police and Fire Games in Chengadu, China. We look forward to his participation in upcoming Olympics in Tokyo too.

I acknowledge and appreciate the sincere efforts of employees at all levels who have given their heart and soul to the organisation and have worked day in and day out to yield impressive results. I also take this opportunity to express sincere appreciation for assistance, support, believe and co-operation received from the Customers, Suppliers, Bankers, Financial Institutions, Auditors, State and Central Governments, Advisors, Community, Society etc. I would also like to thank our Board of Directors and all Stakeholders including the members of the Company for their continuous support.

I thank you for your continuous support and look forward for a bright future ahead.

Best Regards,

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

Place: Jaitpura, Jaipur
Date: August 06, 2019

