

SUPERHOUSE LIMITED
ANNUAL REPORT 2011-12



Ascending new heights





LEGACY OF
EXCELLENCE

Superhouse Ltd.

The recipient of the largest number of export awards
in the history of Indian leather industry

once again being conferred the most coveted
**'The largest exporter of leather & leather
products from India' award.**

*We take this opportunity to thank our share
holders, customers, suppliers and bankers for
their continued support and in helping us achieve
our goals. We also wish to congratulate our
team without whose unstinted support and
endeavour this feat would have been impossible.
We sincerely hope that they will continue to
bring glory to the company in the coming
years as well.*



Mr. Zafarul Amin, Jr. Managing Director receiving award from Mr. S.S. Palanirmanikkam, Hon Minister of State (Finance) for being the largest exporter of leather and leather products in India.



Mr. Kashif, Director receiving award from Mr. S.S. Palanirmanikkam, Hon Minister of State (Finance) for being the 2nd largest exporter for footwear in India.



Mr. Vinay Sanan, Executive Director receiving award from Mr. S.S. Palanirmanikkam, Hon Minister of State (Finance) for being the largest exporter for Non Leather Harness and Saddlery in India.

Superhouse Limited



BOARD OF DIRECTORS

Mr. Mukhtarul Amin	<i>Chairman and Managing Director</i>
Mr. Zafarul Amin	<i>Joint Managing Director</i>
Mrs. Shahina Mukhtar	<i>Wholetime Director</i>
Mr. Vinay Sanan	<i>Executive Director</i>
Mr. Anil Kumar Agarwal	<i>Director Finance</i>
Mr. Mohd. Shadab	<i>Wholetime Director</i>
Mr. N. C. Jain	
Mr. Syed Javed Ali Hashmi	
Dr. K. K. Agarwal	
Mr. Anil Soni	
Mr. Kamal Agarwal	
Mr. Dilip Kumar Dheer	

COMPANY SECRETARY

Mr R.K. Agrawal

BANKERS

Punjab National Bank
State Bank of India

AUDITORS

M/s Kapoor Tandon & Co.
Chartered Accountants, Kanpur

REGISTERED OFFICE

150 Feet Road,
Jajmau, Kanpur-208 010
Email : share@superhouse.in
Website : superhouse.in
Tel. 91-0512-2461391, 2464398
Fax : 91-0512-2460814, 2462124



PLANTS

Fashion Shoe Division I

D-15, UPSIDC Industrial Area, Site-II,
Unnao-209 801

Fashion Shoe Division II

A-5, UPSIDC Industrial Area, Site-B,
Sikandra, Agra-282007

Fashion Shoe Division III

A-3, Export Promotion Industrial Park,
Shastripuram, Agra-282007

Fashion Shoe Division IV

D-18, UPSIDC Industrial Area, Site-II,
Unnao-209801

Tannery I

A-1, Site-II, Industrial Area,
Unnao-209801

Tannery II

B-16, UPSIDC Industrial Area, Site-II,
Unnao-209 801

Tannery III

B-3, Site-I, UPSIDC Industrial Area,
Unnao-209801

Upper Division

71-A, Jajmau, Kanpur-208010

Safety Footwear Division I

B-6, UPSIDC Industrial Area, Site-I,
Unnao-209 801

Safety Footwear Division II

150 Feet Road, Jajmau,
Kanpur-208010

Safety Footwear Division III

Banhar, Unnao-209801

Readymade Garments Division I

A-14, Sector-65, Phase-III,
Noida-201303

Readymade Garments Division II

C-10, Sector-58, Phase-II,
Noida-201303

Readymade Garments Division III

A-61/2, UPSIDC Industrial Area,
Sikandrabad, Bulandshahr-203205

Safety Garments Division

E-23, 24 UPSIDC Industrial Area,
Site-I, Unnao-209801

Leather Garments and Bags Division

A-69, Sector-57, Noida-201301

Please inform your
Email ID to serve
you better

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NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of the Company will be held on Saturday the 29th September, 2012 at 10.00 A.M. at the Registered Office of the Company at 150 Feet Road, Jajmau, Kanpur-208 010, to transact the following business:-

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and Audited Accounts for the Year ended on that date and the Reports of the Auditors and Directors thereon.
2. To elect a Director in place of Mr. Vinay Sanan who retires by rotation and is eligible for re-election.
3. To elect a Director in place of Mr. Mohd. Shadab who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Mr. Kamal Agarwal who retires by rotation and is eligible for re-election.
5. To elect a Director in place of Dr. Krishna Kumar Agarwal who retires by rotation and is eligible for re-election.
6. To declare a dividend on Equity Shares.
7. To appoint Auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration.

Place : KANPUR

By Order of the Board

Date : 30th May, 2012

(R.K. Agrawal)
Company Secretary

NOTES :-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The register of members and Share Transfer Book of the Company will remain close from 17th September, 2012 to 29th September, 2012 (both days inclusive).

Place : KANPUR

By Order of the Board

Date : 30th May, 2012

(R.K. Agrawal)
Company Secretary

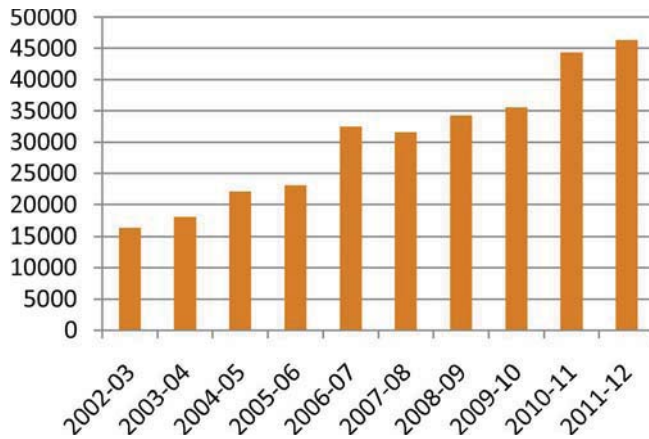
Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Governance in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Member who hold shares in physical form are requested to register the same with Registrar and Share Transfer Agent M/s Skyline Financial Services (P) Limited, D-153/A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020.

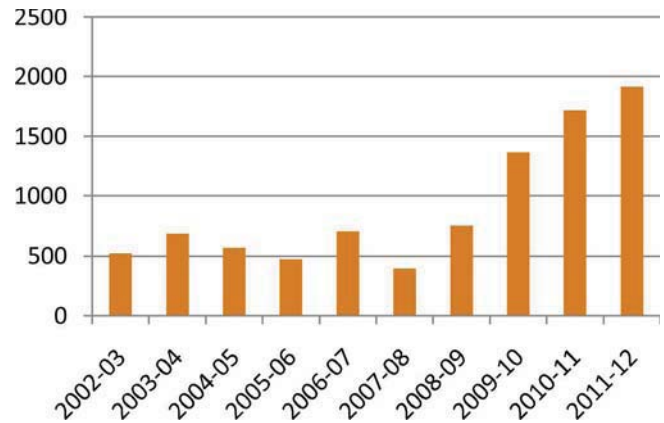


FINANCIAL HIGHLIGHTS

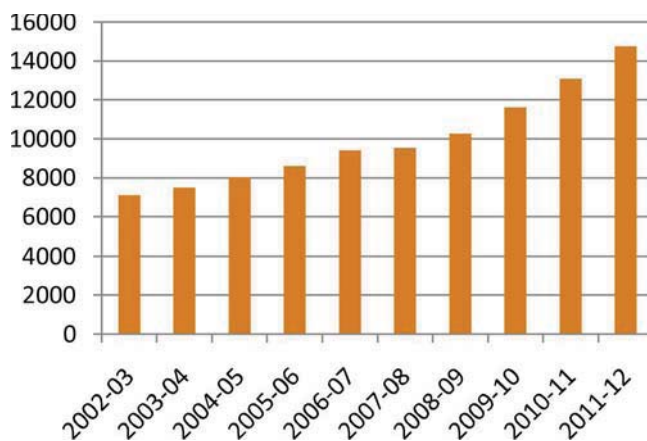
Turnover (Rs. in Lacs)



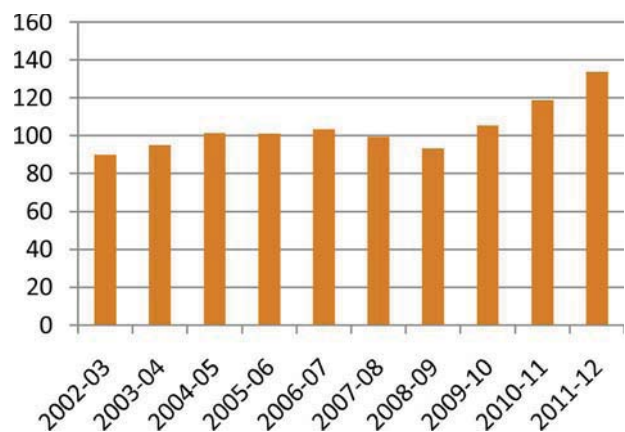
Net Profit (Rs. in Lacs)



Net Worth (Rs. in Lacs)



Book Value (Rs. per Share)





DIRECTORS' REPORT

To
The Shareholders,
Superhouse Limited,
Kanpur.

The Directors have pleasure in presenting their 32nd Annual Report alongwith the Audited Accounts of your Company for the year ended 31st March, 2012.

FINANCIAL RESULTS :	Current Year (Rs. in `000)	Previous Year (Rs. in `000)
Profit before Depreciation	393107	352220
Less: Depreciation	96719	91699
Profit before tax	296388	260521
Less : Provision for taxation	102915	88698
Profit after tax	193473	171823
Income Tax relating to earlier year	(1886)	4
Balance Brought forward from previous year	467808	415201
	659395	587028
Appropriations :		
Proposed Dividend	16537	16537
Tax on Proposed Dividend	2683	2683
Transferred to General Reserve	100000	100000
Balance carried to Balance Sheet	540175	467808
	659395	587028

Dividend :-

Your Directors are pleased to recommend final dividend of Rs. 1.50 per equity share (previous year Rs.1.50 per equity share) on the equity share capital of the company for the financial year ended 31st March, 2012. The cash outflow on account of dividend on equity capital will be Rs.192.20 lacs (previous year Rs. 192.20 lacs) including dividend distribution tax of Rs.26.83 lacs (previous year Rs.26.83 lacs).

Financial Performance :-

The company has achieved the sales and other Income of Rs 466.17 crores against Rs. 447.34 crores reported last year. The Profit after Tax was Rs 19.16 crores during the year under review as compared to Rs. 17.18 crores reported during the previous year.

Export Awards:-

During the year, the company received the Best Exporter Awards in overall Export Category for 2010-11. In addition to Best Export Award in overall category, the company also received Best Export Award in Non-Leather Harness and Saddlery and 2nd place Export Award in Leather Footwear category.

Subsidiary Companies :-

The company is having four subsidiary companies namely M/s Superhouse (UK) Limited, M/s Superhouse (USA) International Inc, M/s Superhouse Middle East FZC and M/s Briggs Industrial Footwear Limited, UK. A statement pursuant to section 212 of the Companies Act,1956 relating to company's interest in subsidiary companies is

forming part of the Annual Accounts. M/s Superhouse RO SRL, Romania wound-up during the year.

As per general exemption granted vide Government of India, Ministry of Corporate Affairs' general circular No. 2/2011 dated 8th February,2011, the Company has not attached the annual accounts of its all the four subsidiaries namely M/s Superhouse (UK) Limited, M/s Superhouse (USA) International Inc, M/s Superhouse Middle East FZC and M/s Briggs Industrial Footwear Limited, UK to this Annual Report. As required by the said circular, the relevant information for each subsidiary has been disclosed in the consolidated financial statements attached to this Annual Report.

The Company will make available the annual accounts of subsidiaries and the related information to any member of the Company who may be interested in obtaining the same. The annual accounts of subsidiaries will also be kept for inspection by any member of the Company at the registered office of the Company and that of respective subsidiaries. The Consolidated financial statements presented by the Company include the financial information of its subsidiaries.

Corporate Governance:-

During the year under review, the company has taken necessary steps to comply with the requirements of the Corporate Governance Code and a Report on the Corporate Governance forms part of this Report.

Consolidated Financial Statement :-

As required by clause-32 of the Listing Agreement and in accordance with the Accounting Standard-21 your directors have pleasure to attach the Consolidated Financial Statements and Cash Flow Statement which form part of the Annual Report and Accounts.

Management Discussion and Analysis :-

The Report as required by clause-49 of the listing Agreement is annexed hereto and form part of the report.

Personnel :-

The relations with the employees continued to be cordial during the year. The Directors record their appreciation for the sincere and hard work put in by all categories of employees during the year.

Conservation of Energy :-

Your Company is engaged in the manufacture of Finished Leathers, Leather Goods and Textile Garments and consumption of energy in these industries is not significant as compared to that of in other industries. However, the Company is making continuous efforts to conserve energy wherever possible by economizing on use of power and fuel in factory and offices. However, the company has not made specific additional investment for the reduction of consumption of energy.

Technology Absorption :-

The company is carrying on the technological innovations, up-gradation and improvements on a regular way. The company is getting benefit of R & D by developing new range of Products.

The company is hopeful that sustained efforts put in by all concerned and that will continue in future to achieve excellent working results and improve competitive strength of the company.



Superhouse Limited

The company has incurred expenditure of Rs. 33.17 lacs for the Research and Development Activities during the year as compared to Rs. 22.20 lacs incurred during last year.

The company is not using imported technology. However, Imported Plants and Machineries are also being used by the company.

Foreign Exchange Earnings & Outgo :-

Your Company continues to enjoy the status of a Government of India Recognized Trading House. Continuous efforts are being made to identify the new markets. Exports during the year were Rs 37749.25 lacs in comparison to previous year of Rs. 35523.87 lacs on FOB basis. During the year, total Foreign Exchange outgo was Rs. 7333.64 lacs as compared to Rs. 8292.60 lacs during the preceding financial year.

Particulars of Employees u/s 217 :-

No employee was covered Under Section 217(2-A) of the Companies Act, 1956 during the year.

Directors :-

Mr. Vinay Sanan, Mr. Mohd. Shadab, Mr. Kamal Agarwal and Dr. Krishna Kumar Agarwal retire by rotation at the ensuing Annual General Meeting and being eligible, they offer themselves for re-election.

Directors' Responsibility Statement :-

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956 your Directors confirm that :

- i). In the preparation of the annual accounts the applicable accounting standards have been followed;
- ii). They have selected such accounting policies and applied them consistently and made judgments 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 31st March, 2012 and of the profit of the Company for the year ended on that date;

- iii). They have taken proper and sufficient care 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;
- iv). They have prepared the annual accounts on a going concern basis.

Statutory Auditors :-

M/s. Kapoor Tandon & Co. present Auditors will hold office until the conclusion of this Annual General Meeting. We have received a certificate from the Auditors to the effect that their re-appointment, if made, will be in accordance with the limits specified in sub section(1B) of Section 224 of the Companies Act, 1956. Directors commend for re-appointment of M/s. Kapoor Tandon & Co.

Cost Auditors :-

The Central Government vide its Order No. 52/348 CAB-2000 dated 10th August, 2000 has directed the company to carry out audit of the Cost accounts maintained by the company in respect of Footwear. Your board has appointed M/s. R. M. Bansal & Co., Cost Accountants to carry out the Cost Audit for this purpose. This appointment has to be made in the beginning of each financial year and an application has already been forwarded to the Central Government to renew the appointment for the current financial year.

Place : KANPUR

For and on behalf of the Board

Date : 30th May, 2012

MUKHTARUL AMIN
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

Macroeconomic Overview.

The Indian economy is estimated to grow by 6.9 per cent in 2011-12, after having grown at the rate of 8.4 per cent in each of the two preceding years. This indicates a slowdown compared not just to the previous two years but 2003 to 2011 (except 2008-9). At the same time, sight must not be lost of the fact that, by any cross country comparison, India remains among the front-runners. With agriculture and services continuing to perform well, India's slowdown can be attributed almost entirely to weakening industrial growth. The manufacturing sector grew by 2.7 per cent and 0.4 per cent in the second and third quarters of 2011-12. Inflation as measured by the wholesale price index (WPI) was high during most of the current fiscal year, though by the year's end there was a clear slowdown. The slowing inflation reflects the lagged impact of actions taken by the RBI and the government. Reflecting the weak manufacturing activity and rising costs, revenues of the centre have remained less than anticipated; and with higher than- budgeted expenditure outgo, a slippage is expected on the fiscal side. The global economic environment, which has been tenuous at best throughout the year, turned sharply adverse in September 2011 owing to the turmoil in the euro zone, and questions about the outlook on the US economy provoked by rating agencies. However, for the Indian economy, the outlook for growth and price stability at this juncture looks more promising. There are signs from some high frequency indicators that the weakness in economic activity has bottomed out and a gradual upswing is imminent.

Exchange Rate

In the current fiscal, on month-to-month basis the rupee depreciated by 12.36 per cent from Rs. 44.97 per US dollar in March 2011 to Rs. 51.31 per US dollar in March 2012. On point-to-point basis, it depreciated by 12.72 per cent from Rs. 44.65 per US dollar on 31 March 2011 to Rs. 51.16 per US dollar on 30 March 2012. The rupee reached a peak of Rs. 43.94 on 27 July 2011 and a low of Rs. 54.23 per US dollar on 15 December 2011, indicating a depreciation of 19.0 per cent. Similarly, the monthly average exchange rate of the rupee depreciated by 11.5 per cent against the pound sterling, 9.1 per cent against the euro, and 18.7 per cent against the Japanese yen between March 2011 and December 2011.

Industry Structure and Development

Industrial growth, measured in terms of the index of industrial production (IIP), shows fluctuating trends. Growth had reached 15.5 per cent in 2007-8 and then started decelerating. Initial deceleration in industrial growth was largely on account of the global economic meltdown. There was, however, a recovery from 2.5 per cent in 2008-9 to 5.3 per cent in 2009-10 and 8.2 per cent in 2010-11. Fragile economic recovery in the US and Europe and moderately subdued expectations at home affected the growth of the industrial sector in the current year. Overall growth during April-December 2011 reached 3.6 per cent compared to 8.3 per cent in the corresponding period of the previous year.

As per DGCI&S monthly export data, the export of leather and leather products for the year 2011-12 stands at US\$4868.71 million against the export of US\$3968.54 million during previous period, registering a positive growth of 22.68%.

The major markets for Indian Leather & Leather Products are Germany with a share of 15.01%, UK 11.15%, Italy 10.85%, USA 9.02%, Hong Kong 7.38%, France 6.25%, Spain 6.08%, Netherlands 4.07%, Belgium

2.32%, China 2.54%, U.A.E.2.24%, Australia 1.39%. These 12 countries together accounts for nearly 78.30% of India's total leather& leather products export.

India's Export of Leather & Leather Products to the European Union touched US\$ 3116.52 mn in 2011-12, accounting for a share of 64.01% in India's total leather export trade of US\$ 4868.71 mn.

Opportunities and Threats :-

The Government of India had identified the Leather Sector as a Focus Sector in view of its immense potential for export growth prospects and employment generation. Accordingly, the Government is also implementing various Special Focus Initiatives under the Foreign Trade Policy for the growth of leather sector. With the implementation of various industrial developmental programmes as well as export promotional activities, and keeping in view the past performance, and industry's inherent strength of skilled manpower, innovative technology increasing industry compliance to international environmental standards, and dedicated support of the allied industries, the Indian leather industry aims to augment the production, thereby enhance export.

Further, increasing safety norms in Russia, reducing import duty in Arab Countries, increasing demand in South Africa, development of African markets, high cost of production in European Countries, growing fashion consciousness provide a lot of opportunities to the Indian leather and leather goods manufacturers to grow vertically.

However, with such good opportunities, there are certain threats like entry of multinationals in domestic market, international price fluctuation, adverse foreign exchange rates, change in government policies regarding labour laws and pollution norms, fast changing fashion trends, high inflation rate, increasing commodity prices, interest rates and fuel prices, withdrawal of government incentives due to economic recovery.

Segment-wise Performance :-

The segment-wise performance of the company during the year is as under :-

Segments	Turnover
a. Leather and Leather Products	Rs. 394.47 Crores (previous year Rs. 384.44 crores)
b. Textile Garments	Rs. 65.45 Crores (previous year Rs. 57.53 crores)

Outlook :-

As medium to long-run prospect of Indian Economy, including the Industrial Sector, continues to be positive, a rise in saving and demand for consumable products are quite inevitable. The leather industry is basically a consumer product industry hence with the increase in demand of consumer production; the prospect of the leather industry is bright. During current year the pace of growth of leather industry is expected to be maintained.

Risk and Concerns :-

The major raw material for leather industry is raw hide/skins. Leather is a natural product and its prices and availability are changing from time to time. The company is having vast experience in sourcing the raw materials for its tanneries and leather products divisions from India and outside which help in keeping the prices and availability



Superhouse Limited

under control. The output of raw hides/skins also depends upon personal skill of the purchasers and technicians, which are being properly taken care-off by the experienced personnel of the company. The substantial revenue of the company is being generated in foreign exchange. The adverse foreign exchange rates may affect the profitability of the company. The experienced professional of the company are keeping close watch over movement in currency rates.

Cautionary Statement :-

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectation or prediction may be 'forward-looking statement'. Further, the performance of the company is also dependent on domestic and global economic conditions, government and regulatory policies on which company is not having any control.

Internal Control System and their Adequacy :-

The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from misuse or disposition and those transactions are authorized, recorded and reported correctly. Proper checks and controls have been introduced for all the incoming and outgoing materials. The Audit Committee and Internal Audit Department regularly review the financial and operating controls at all location of the Company. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets.

Financial Performance with Respect to Operational Performance:-

The financial statements have been prepared in compliance with the requirements of the companies Act,1956 and Generally Accepted

Accounting Principles in India. The company has achieved the sales and other income of Rs 466.17 crores during the year against Rs. 447.34 crores reported last year. The profit after tax was Rs. 19.16 crores during the year as compared to Rs. 17.18 crores reported during the previous year. The gross block of the company as at 31.03.2012 was Rs 229.03 crores against Rs. 201.67 crores as at 31.03.2011. The net current assets as at 31.03.2012 were Rs 15.56 crores as against Rs. 26.48 crores as at 31.03.2011. The detailed information of financial performance is given in the attached annual financial statements. The summarized financial performance during the year is as under :-

FINANCIALS OF THE COMPANY :-

	2011-12	2010-11
Sales	46329.63	44320.37
Other Income	287.70	413.44
PBT	2963.88	2605.20
PAT	1915.87	1718.27
Paid up Capital	1141.98	1141.98
Reserves & Surplus	13610.87	11939.60
Net Worth	14752.85	13096.05
Earning per share	17.38	15.59

Industrial Relations and Human Resources Development :-

The relations with the employees continued to be cordial during the year. The Directors record their appreciation for the sincere and hard work put in by all categories of employees during the year. There were 1479 permanent employees with the company as on 31st March, 2012.



CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance :-

Superhouse, right from its inception has been committed to the highest standards of Corporate Governance Practices. The company believes that a strong Corporate Governance policy is indispensable to healthy business growth, besides being an important instrument of investor protection. Good Corporate Governance provides an appropriate frame work for the Board and the Management to carry out the objectives that are in the interest of the company and the shareholders. The Company complies with the corporate Governance Code enshrined in clause 49 of the Listing Agreement.

2. Board of Directors :-

The Board of Directors comprises a Chairman and Managing Director, five Executive Directors and six Non-Executive Directors. Out of twelve directors six directors are independent and non executive directors.

Mr. Vinay Sanan, Mr. Mohd. Shadab, Mr. Kamal Agarwal and Dr. Krishna Kumar Agarwal retire by rotation at the ensuing Annual General Meeting. However, being eligible they offer themselves for re-election.

Further brief particulars of directors of the Company are given below :-

Mr. Mukhtarul Amin, a science graduate having experience of 39 years in Leather Industry, was opted on the board on 02.09.1984 . He was born on 17.02.1952. He established many units specializing in manufacturing and export of Finished Leather, Fashion Footwear, Safety Footwear, Leather Garments and Textile Garments. He is also director of M/s Superhouse (UK) Limited, M/s Superhouse Middle East FZC, M/s Superhouse (USA) International Inc., M/s Unnao Tanneries Pollution Control Company, M/s Tritan Leather Works (P) Limited, M/s Superhouse Educational Foundation, M/s Creemos International Limited, M/s Agra Footwear Industrial Infrastructure Development Company Limited, M/s Industrial Infrastructure Services India Limited, M/s Kanpur-Unnao Leather Cluster Development Company Limited, M/s Knowledgehouse Limited, M/s Amin Colonizers & Development Limited, and M/s Azad Multispecialty Hospitals & Research Center (P) Limited. Mr. Mukhtarul Amin holds in his name 1303106 Equity Shares of the company. Mrs. Shahina Mukhtar wholetime director, Mr. Zafarul Amin, Joint Managing Director and Mr. Mohd. Shadab, wholetime director are relatives of Mr. Mukhtarul Amin.

Mrs. Shahina Mukhtar is one of the promoter director of the company. She, having 32 years enriched experience in Leather Industry, was opted on the board on 14.01.1980. She was born on 05.01.1956. She is also director of M/s Superhouse Educational Foundation and M/s Knowledgehouse Limited. Mrs. Shahina Mukhtar holds in her name 481159 Equity Shares of the company. Mr. Mukhtarul Amin, Chairman and Managing Director, Mr. Zafarul Amin, Joint Managing Director and Mr. Mohd. Shadab, wholetime director are relatives of Mrs. Shahina Mukhtar.

Mr. Zafarul Amin, a Leather Technologist and having experience of 10 years in Tanning, Export Marketing and Administration, was opted on the board on 30.01.2002. He was born on 27.01.1983. He is also director of M/s Knowledgehouse Limited. Mr. Zafarul Amin holds in his name 175988 Equity Shares of the company. Mr. Mukhtarul Amin, Chairman and Managing Director, Mrs. Shahina Mukhtar, wholetime director and Mr. Mohd. Shadab, wholetime director are relatives of Mr. Zafarul Amin.

Mr. N C Jain, previous Chairman of Income Tax Settlement Commission, was opted on the board on 05.09.2005. He was born on 16.05.1939. He is also director of M/s Lex Infotex Pvt. Limited. Mr. N C Jain does not hold any share of the company. He is not related to any director of the company.

Mr. Vinay Sanan, a graduate and having experience in management and export marketing, was opted on the board on 02.01.1996. He was born on 12.10.1956. Mr. Vinay Sanan is running safety shoe and shoe upper units of the company. He is also director of M/s Superhouse (UK) Limited and M/s Knowledgehouse Limited. Mr. Vinay Sanan holds in his name 1465 Equity Shares of the company. He is not related to any director of the company.

Mr. Mohd. Shadab, a footwear technologist from Leicester College, UK and having experience in management and export marketing, was opted on the board on 22.08.1998. He was born on 16.01.1977. He is also running Fashion Shoe Units of the company. He is neither director in any other body corporate nor a member of the committee of director of any other company. Mr. Mohd. Shadab holds in his name 14400 Equity Shares of the company. Mr. Mukhtarul Amin, Chairman and Managing Director, Mrs. Shahina Mukhtar, wholetime Director and Mr. Zafarul Amin, Joint Managing Director are relatives of Mr. Mohd. Shadab.

Mr. A K Agarwal, a Chartered Accountant, was opted on the board on 15.10.1996. He was born on 05.12.1954. He is overall responsible for Accounts and Financial Activities of the Company. He is also director of M/s Unnao Tanneries Pollution Control Company, M/s Superhouse Educational Foundation, M/s Creemos International Limited, M/s Superhouse (USA) International Inc , M/s Superhouse (UK) Limited, M/s Superhouse Middle East FZC, M/s Briggs Industrial Footwear Limited and M/s Knowledgehouse Limited. Mr. A K Agarwal holds in his name 2001 Equity Shares of the company. He is also member of Audit Committee, Remuneration Committee and Shareholders Committee of the company. He is not related to any director of the company.

Mr. Syed Javed Ali Hashmi, a M.F.C from Aligarh University and having enriched experience in Finance and Administration, was opted on the board on 30.01.2010. He was born on 29.05.1973. He is also director of M/s Steven Construction Limited, M/s Chowdhary Overseas Limited, M/s Rojus Enterprises Limited, M/s Amin International Limited, M/s Superhouse Accessories Limited, M/s Modriba Hygiene Solutions Limited and M/s Knowledgehouse Limited. Mr. Syed Javed Ali Hashmi does not hold any share of the company. He is also member of Audit Committee, Remuneration Committee and Shareholders Committee of the company. He is not related to any director of the company.

Mr. Kamal Agarwal, a graduate and having experience in management and export marketing, was opted on the board on 28.01.2006. He was born on 22.12.1952. He is also director of M/s Rojus Enterprises Limited. Mr. Kamal Agarwal holds in his name 3961 Equity Shares of the company. He is also member of Audit Committee, Remuneration Committee and Shareholders Committee of the company. Dr. Krishna Kumar Agarwal, director of the company is brother of Mr. Kamal Agarwal, director of the company.

Dr. Krishna Kumar Agarwal, a well known Doctor of Kanpur and having vast experience in medical field, was opted on the board on 06.03.2004. He was born on 31.01.1953. He is neither director in any other body corporate nor a member of the committee of director of any other company. Dr. Krishna Kumar Agarwal does not hold any share of the company. Mr. Kamal Agarwal, director of the company is brother of Dr. Krishna Kumar Agarwal, director of the company

Mr. Anil Soni, a graduate and having vast experience in Automobile Industry, was opted on the board on 06.03.2004. He was born on 22.08.1961. He is neither director in any other body corporate nor a member of the committee of director of any other company. Mr. Anil Soni holds in his name 39 Equity Shares of the company. He is not related to any director of the company.



Superhouse Limited

Mr. Dilip Kumar Dheer, a B. Tech from IIT Kanpur and having enriched experience in Finance and Administration, was opted on the board on 13.11.2010. He was born on 01.03.1950. He is neither director in any other body corporate nor a member of the committee of director of any other company. Mr. Dilip Kumar Dheer does not hold any share of the company. He is also member of Audit Committee, Remuneration Committee and Shareholders Committee of the company. He is not related to any director of the company.

During the year 4 Board Meetings were held. The dates of the meetings were as follows :- 30th May, 2011, 30th July, 2011, 10th November, 2011 and 14th February, 2012.

The composition of the Board of Directors as on 31st March, 2012, attendance of each director at the Board of Directors' meeting and at the last Annual General Meeting and number of other directorship/memberships of committees of each director are as follows :-

Name of Directors	Categories	No. of Board Meeting attended	Attendance at last AGM	No. of other Directorship	Committee Membership	
					Members	Chairman
Mr. Mukhtarul Amin	Chairman and Managing Director	4	Yes	13	0	0
Mr. Zafarul Amin	Joint Managing Director	2	No	1	0	0
Mrs. Shahina Mukhtar	Executive Director	4	No	2	0	0
Mr. Vinay Sanan	Executive Director	3	Yes	2	0	0
Mr. A. K. Agarwal	Executive Director	3	Yes	8	3	1
Mr. Mohd. Shadab	Executive Director	3	No	0	0	0
Mr. N.C.Jain	Director, Independent	3	No	1	0	0
Dr. K. K. Agarwal	Director, Independent	1	No	0	0	0
Mr. Anil Soni	Director, Independent	1	No	0	0	0
Mr. Kamal Agarwal	Director, Independent	1	No	1	3	0
Mr. Syed Javed Ali Hashmi	Director, Independent	0	No	7	3	2
Mr. Dilip Kumar Dheer	Director, Independent	4	No	0	3	0

3. Code of Conduct :-

All the board members and senior management personnel have affirmed the compliance with the code of conduct. The company has received a declaration to the effect signed by the Chairman and Managing Director.

4. Subsidiary Companies :-

Company is having four subsidiary companies namely M/s Superhouse (UK) Limited, M/s Superhouse (USA) International Inc. M/s Superhouse Middle East FZC and M/s Briggs Industrial Footwear Limited U.K. The board of directors of the company has reviewed the affairs of M/s Superhouse (UK) Limited, M/s Superhouse (USA) International Inc. M/s Superhouse Middle East FZC and M/s Briggs Industrial Footwear Limited U.K.

5. Audit Committee :-

Terms of reference of the Audit Committee include review of :-

- Financial statements and draft audit report, including quarterly / half-yearly financial information;
- Management discussion and analysis of financial condition and results of operations;
- Reports relating to compliance with laws and to risk management;
- Management letters / letters of internal control weaknesses issued by statutory / internal auditors; and
- Records of related party transactions
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- Any change in accounting policies and practices.

During the year, four meetings were held one of which was held before finalization of accounts. The said meetings were held on 30th May, 2011, 30th July, 2011, 10th November, 2011 and 14th February, 2012.

The constitution of the Audit Committee and attendance of each member of the Committee as on 31st March, 2012 is given below :-

Name	Category	Designation	No of Meetings Attended
Mr. Syed Javed Ali Hashmi	Non Executive- Independent	Chairman	0
Mr. Kamal Agarwal	Non Executive-Independent	Member	0
Mr. Dilip Kumar Dheer	Non Executive-Independent	Member	4
Mr. Anil Kumar Agarwal	Executive-Independent	Member	4

6 Whistle Blower Policy :-

The company has adopted a whistle blower policy in which all the employees of the company are entitled to approach the audit committee (in respect of unethical or improper practice) without necessarily informing their supervisors. The company has not denied any personal access to the audit committee of the company and it has policy to provide protection to "Whistle Blowers" from unfair termination and other unfair or prejudicial employment practices.

7. Remuneration Committee :-

The company has formed a Remuneration Committee and this Committee consists of Mr. Anil Kumar Agarwal, Mr. Syed Javed Ali Hashmi, Mr. Kamal Agarwal and Mr. Dilip Kumar Dheer. The constitution of Remuneration Committee and attendance of each member of the



Committee as on 31st March, 2012 is given below :-

Name	Category	Designation	No of Meetings Attended
Mr. Anil Kumar Agarwal	Executive -Independent	Chairman	2
Mr. Syed Javed Ali Hashmi	Non Executive- Independent	Member	0
Mr. Kamal Agarwal	Non Executive-Independent	Member	0
Mr. Dilip Kumar Dheer	Non-Executive- Independent	Member	2

The remuneration policy presently followed by the company to fix the remuneration of Executive/Whole-time Directors takes into consideration the qualifications and functional experience of the individual, profitability of the company and the prevailing remuneration package in the leather industry. The details of remuneration paid/payable to the Directors during the financial year 2011-2012 are as under :-

Sl. No	Name of Directors	Remuneration paid during the year 2011-12					
		Salary	P.F.	Per-Quisites	Ex-gratia	Commission	Sitting Fee
Executive/Whole-time Directors							
1.	Mr. Mukhtarul Amin	5076923	576000	74226	-	6674000	
2.	Mrs. Shahina Mukhtar	1903846	216000	-	-	3337000	
3.	Mr. Zafarul Amin	2538462	288000	-	-	3337000	
4.	Mr. Vinay Sanan	2246937	183779	64916	112482	-	
5.	Mr. A. K. Agarwal	841065	76861	82163	-	-	
6.	Mr. Mohd. Shadab	781746	56458	29407	39426	-	
Non Executive Directors							
7.	Mr. N.C.Jain						4000
8.	Mr. Anil Soni						1000
9.	Mr. Kamal Agarwal						1000
10.	Mr. Dilip Kumar Dheer						3000
11.	Dr. K. K. Agarwal						1000
12.	Mr. Syed Javed Ali Hashmi					-	

8. Shareholders Committee :-

During the year ten meetings of Shareholders Committee were held. The said meetings were held on 30th May,2011, 30th June,2011, 30th July,2011,20th September, 2011, 31st October, 2011, 10th November,2011, 10th December, 2011, 20th January, 2012, 31st January, 2012 and 14th February, 2012.

The details of composition of Shareholders Committee/Investors Grievances Committee and attendance of each member of the Committee as on 31st March, 2012 is as under :-

Sl. No.	Name	Category	Designation	No. Of Meeting Attended.
1.	Mr. Syed Javed Ali Hashmi	Non-Executive-Independent	Chairman	0
2.	Mr. Kamal Agarwal	Non-Executive-Independent	Member	0
3.	Mr. Dilip Kumar Dheer	Non-Executive-Independent	Member	10
4.	Mr. Anil Kumar Agarwal	Executive-Independent	Member	10

The Board had designated Mr. R. K. Agrawal, Secretary as Compliance Officer.

The Company has received 14 complaints from the shareholders during the year, all of them have been replied/redressed to the satisfaction of the shareholders. There is no pending complaint or transfer upto 31st March, 2012.

9. General Body Meetings :-

a. Location date time of Annual General Meetings held during the preceding three years are as follows :-

YEAR	DATE AND TIME	LOCATION
2008-2009	Wednesday the 30 th September,2009 at 10.00 A.M	150 Feet Road, Jajmau, Kanpur-208010
2009-2010	Thursday the 30 th September,2010 at 10.00 A.M	150 Feet Road, Jajmau, Kanpur-208010
2010-2011	Friday the 30 th September,2011 at 10.00 A.M	150 Feet Road, Jajmau, Kanpur-208010

All the resolutions including special resolution set out in the respective notices sent to the shareholders.

b. Passing of resolution by Postal Ballot :-

No item was passed by resolutions through Postal Ballot during the Financial Year 2011- 12. At the forthcoming Annual General Meeting also, there is no item on the agenda that needs approval by Postal Ballot.

10. Disclosures :-

- There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relative etc. that may have potential conflict with the interests of the Company at large. Related party transactions have been given in note 37 of notes to the accounts.
- There is no instance of non-compliance by the company, penalties, strictures imposed on the company by the Stock Exchanges or SEBI or any statutory Authority on any matter related to capital markets during the last three years.
- The Management discussion and analysis report from part of Director's Report.



11. Means of Communication :-

The quarterly and half yearly financial results of the company are forwarded to the Stock Exchanges immediately upon approval by the Board of Directors and are published in newspapers in English and Hindi (regional language).

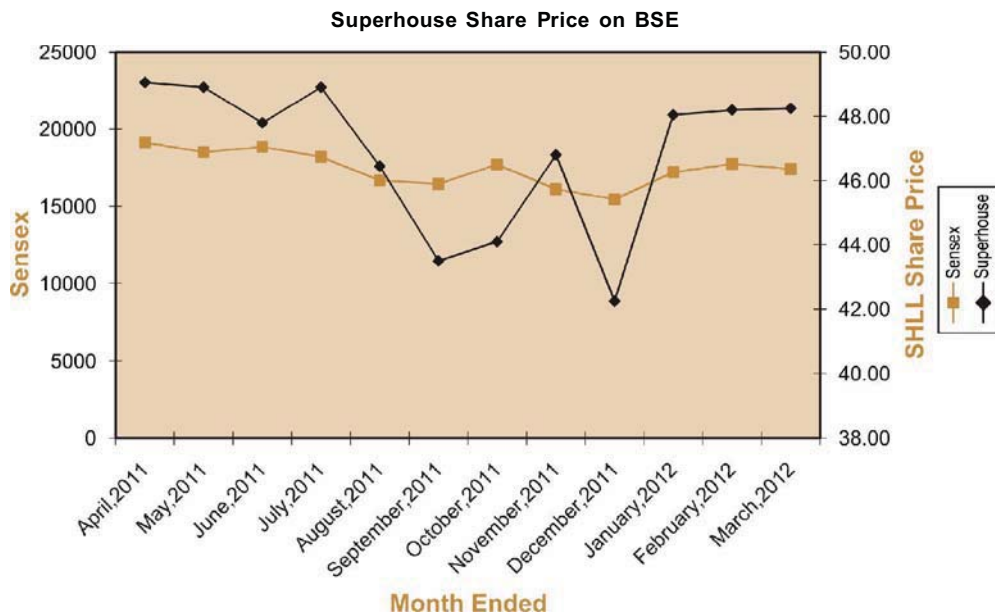
Normally, the results are published in "The Pioneer" and Swatantra Bharat (English and Hindi). Financial results apart from publication in newspapers, are not sent individually to the shareholders. During the year under review, no presentation was made to the institution investors or analysts. The financial results are displayed on the company's website www.superhouse.in.

12. General Shareholders Information :-

- a. **Date of Annual General Meeting, time and venue** 29th September, 2012 at 10.00 A.M.
at 150 Feet Road, Jajmau, Kanpur-208010
- b. **Financial Calendar**
Ist Quarterly Results During 3rd week of August, 2012
IInd Quarterly Results During 3rd week of November, 2012
IIIrd Quarterly Results During 3rd week of February, 2013
IVth Quarterly Results During last week of May, 2013
Annual General Meeting By the end of September, 2013
- c. **Date of Book Closure** 17th September, 2012 to 29th September, 2012
(both days inclusive)
- d. **Listing at Stock Exchanges** The Stock Exchange, Mumbai.
- e. **Stock Code at the Stock Exchange, Mumbai** 523283
- f. **Demat/ISIN for NSDL and CDSL** INE 712B01010
- g. Stock Market price data of the company for the year 2011-2012 are as follows :-

Months	The Stock Exchange, Mumbai	
	Highest (Rs.)	Lowest (Rs.)
April, 2011	50.80	44.45
May, 2011	49.60	44.00
June, 2011	55.45	45.10
July, 2011	51.00	47.00
August, 2011	53.85	39.70
September, 2011	47.55	41.30
October, 2011	46.40	41.05
November, 2011	50.75	42.80
December, 2011	49.95	41.55
January, 2012	48.35	40.20
February, 2012	52.90	44.85
March, 2012	51.95	46.05

- h. Performance of the Company's Equity Shares vis-à-vis the Mumbai Stock Exchange SENSEX (Closing Rates) :





- i. **Registrar and Share Transfer Agents :-** The Company has appointed M/s Skyline Financial Services (P) Limited as Registrar and Share Transfer Agent of the company in respect of shares held in physical and demat form. The contact details of the Registrar is as under :-
M/s Skyline Financial Services (P) Limited,
D-153/A, First Floor, Okhla Industrial Area, Phase-I
New Delhi-110020
Phone No. (011) 26812682-26812684, Fax (011) 26812681
email: virenr@skylinerta.com
- j. **Share Transfer System :-** The Company has made arrangements with M/s Skyline Financial Services (P) Limited, the common agency for share transfer and the depository services. M/s Skyline Financial Services (P) Limited process the transfer/transmission of shares in every 10 days.
- k. **Distribution of Shareholders:-** Distribution of shareholding as at 31st March, 2012 are as under :-

Range	No. of Members	%age	No. of Shares held	%age
Upto- 500	33491	97.63	2908487	26.39
501- 1000	442	1.29	344009	3.12
1001-2000	175	0.51	270213	2.45
2001-3000	56	0.16	140570	1.28
3001-4000	28	0.08	97350	0.88
4001-5000	26	0.08	118246	1.07
5001-10000	41	0.12	276116	2.50
10001- above	44	0.13	6870009	62.31
TOTAL	34303	100.00	11025000	100.00

- i. **Shareholding Pattern as at 31st March, 2012 is as under :-**

Category		No. of shares held	Percentage of Shareholding
A Promoter's Holding (1+2)		6009692	54.51
1.	Promoters		
	Indian Promoters	6009692	54.51
	Foreign Promoters	-	-
2.	Persons acting in Concert	-	-
	Sub -Total	6009692	54.51
B. Non- Promoters Holding (3+4)		5015308	45.49
3.	Institutional Investors		
a.	Mutual Funds and UTI	3587	0.03
b.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non- Government Institutions)	4025	0.04
c.	FIs	-	-
	Sub-Total	7612	0.07
4.	Others		
a.	Private Corporate Bodies	629298	5.71
b.	Indian Public	4329960	39.27
c.	NRI's/OCBs	48438	0.44
d.	Any Other(Please specify)	-	-
	Sub-Total	5015308	45.49
	GRAND TOTAL	11025000	100.00

- m. **Disclosure of Unclaimed Suspense Account as required under Clause 5A of the Listing Agreement**

i.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 1 st April, 2011	Nil
ii	Number of shareholders who approached the issue for transfer of shares from the Unclaimed Suspense Account during the year.	6
iii	Numbers of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	6
iv.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31 st March, 2012.	No. of Shareholders: 4786 No. of Shares : 285456



Superhouse Limited

n. Dematerialization of Shares and Liquidity :-

The shares of the company are covered under the category of compulsory delivery in dematerialized form by all categories of investors. The company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depository Services Limited.

The status of physical /demat shares as on 31st March, 2012 is as under :-

Total No. of Equity Shares : 11025000

Total No. of Shareholders/Beneficial Owners : 34303

Mode	No of Equity Shares	% of Equity Shares	
Physical	2237187		20.29
Demat	8787813		79.71
National Securities Depository Limited	8038836		72.91
And Central Depository Services Limited	748977		6.79
TOTAL	11025000		100%

o. **Liquidity** :- The Company's Equity Shares are regularly traded on the Stock Exchange, Mumbai in the compulsory Demat Segment.

p. **Outstanding Instrument** :- There is no outstanding GDRs/ADRs/Warrants or any Convertible Instrument of the company.

q. Plant Location :-

Name of Division	Location
Fashion Shoe Division I	D-15, UPSIDC Industrial Area, Site-II, Unnao-209 801
Fashion Shoe Division II	A-5, UPSIDC Industrial Area, Site-B, Sikandra, Agra-282007
Fashion Shoe Division III	A-3, Export Promotion Industrial Park, Shastripuram, Agra-282007
Fashion Shoe Division IV	D-18, UPSIDC Industrial Area, Site-II, Unnao-209801
Tannery I	A-1, Site-II, Industrial Area, Unnao-209801
Tannery II	B-16, UPSIDC Industrial Area, Site-II, Unnao-209 801
Tannery III	B-3, Site-I, UPSIDC Industrial Area, Unnao-209801
Upper Division	71-A, Jajmau, Kanpur-208010
Safety Footwear Division I	B-6, UPSIDC Industrial Area, Site-I, Unnao-209 801
Safety Footwear Division II	150 Feet Road, Jajmau, Kanpur-208010
Safety Footwear Division III	Banthal, Unnao-209801
Readymade Garments Division I	A-14, Sector-65, Phase-III, Noida-201303
Readymade Garments Division II	C-10, Sector-58, Phase-II, Noida-201303
Readymade Garments Division III	A-61/2, UPSIDC Industrial Area, Sikandrabad, Bulandshahr-203205
Safety Garments Division	E-23, 24 UPSIDC Industrial Area, Site-I, Unnao-209801
Leather Garments and Bags Division	A-69, Sector-57, Noida-201301

r. Address for Communication

150 FEET ROAD, JAJMAU, KANPUR-208010
Phone No. (0512) 2463373, 2461391
Fax No. (0512) 2460814 Email share@superhouse.in

Kapoor Tandon & Co.
Chartered Accountants

24/57 First Floor, Birhana Road
(Opp. Central Chest Clinic) KANP208001
Ph: 2361244 Fax: (0512) 2361244
Email: kapoornarendra@rediffmail.com

CERTIFICATE

To the members of Superhouse Limited:

We have examined the compliance of conditions of Corporate Governance by Superhouse Limited (the company) for the financial year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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, and the representations made by the Directors and the Management, we certify that the Company has complied with, in all material respect, with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

FOR KAPOOR TANDON & CO.
Chartered Accountant
(Registration No. 000952C)

(RAJESH PARASRAMKA)
PARTNER.
M No. 074192

PLACE : KANPUR
DATE : 30th May, 2012



AUDITORS' REPORT

The Members
Superhouse Limited

1. We have audited the attached Balance Sheet of Superhouse Limited as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with the 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 the 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 (as amended) issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the Order) and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 4. Further to our comments in paragraph 3 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the requirements of 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 of the company, none of the directors is disqualified as on 31st March, 2012 from being appointed as 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 the explanations given to us, the said financial statements read together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
 - ii. In the case of the Statement of Profit and Loss, 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 KAPOOR TANDON & CO.,
Chartered Accountants
Firm Reg. No. 000952C

(RAJESH PARASRAMKA)
Partner
M.No. 074192

Place : KANPUR
Date : 30th May, 2012



ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 or Auditors' Report of even date on the financial statements for the year ended 31st March, 2012 of Superhouse Limited

- (i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company are physically verified in a phased manner, so as to cover all the fixed assets over a period of two years. In our opinion, the frequency of physical verification of fixed assets is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies between book records and the physical inventory were noticed in respect of the assets verified during the year.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.
- (ii) (a) The inventory of the company has been physically verified by the management during the year except material lying with the third parties. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operation of the company.
- (iii) (a) The company has not granted any loans secured or unsecured to the companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 excepting interest free unsecured loan to a Wholly Owned Subsidiary. Maximum amount involved and year end balance of such loan was Rs. 4.56 Lacs.
- (b) Other terms and conditions of such loans are, prima facie, not prejudicial to the interest of the company.
- (c) As regards repayment of above loans are concerned, no terms of repayment have been stipulated.
- (d) The company has not taken any loans secured or unsecured from the companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion, and according to information and explanations given to us, there is an adequate internal control system commensurate with the size of company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services.
Further, during the course of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor we have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and exceeding Rs. 5.00 Lacs during the year in respect of each party have been entered into at the prices which are reasonable having regard to prevailing market prices as far as we could ascertain on the basis of information and explanations given to us.
- (vi) The company has not accepted any deposits from the public during the year under audit within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under.
- (vii) In our opinion and according to the information and explanations given to us, the company has an adequate internal audit system commensurate with the size of the company and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company relating to the manufacture of 'footwear' pursuant to the order made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other products of the company.
- (ix) (a) The company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor education & Protection Fund, Employees' State Insurance, Income Tax, Sales tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with appropriate authorities. Further, in absence of notification from the Government in respect of Cess as per the provisions of Section 441A of Companies Act, 1956, the same could not be quantified / deposited.
According to the information and explanations given to us, no undisputed dues in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (b) Dues of Income Tax / Sales Tax / Wealth Tax / Service Tax / Custom Duty / Excise Duty / Cess which have not been paid on account of any dispute are as under:



Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which amount relates	Amount (Rs.)
Trade Tax & Central Sales Tax Act	Tax & Interest	Joint Commissioner of Trade Tax	2001-02, 2005-06 & 2007-08	3,45,278
		Dy. Commissioner of Trade Tax	1997-98, 2002-03 & 2008-09	31,62,288
	Entry Tax	Sales Tax Appellate Tribunal	1999-2000	8,60,729
		Joint Commissioner of Trade Tax	2005-06	5,86,500
Income Tax Act	Income Tax & Interest	CIT (Appeals)	A.Y. 2002-03, 08-09 & 09-10	1,00,60,188
		ITAT, Allahabad	A.Y. 2003-04	20,69,740

- (x) The company does not have accumulated losses as at 31st March, 2012 and has not incurred cash loss during the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the information and explanation given to us, the company has not defaulted in repayment of dues to any bank, during the year. There are no dues to any financial institution or debenture holder.
- (xii) According to the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information and explanation given to us, the provisions of any special statute as applicable to chit fund, nidhi, mutual benefit fund/societies are not applicable to the company.
- (xiv) In our opinion and according to the information and explanations given to us, the company is not a dealer / trader in share, securities, debentures and other investments.
- (xv) The company has given corporate guarantees aggregating to Rs. 2,954.23 Lacs for loans taken by its wholly owned subsidiaries from Banks. The terms and conditions thereof are, prima facie, not prejudicial to the interest of the company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- (xvii) Based on the information and the explanations given to us and on the basis of over all review of the Financial Statements of the company, funds raised for short term purposes have, prima facie, not been used for long term requirement.
- (xviii) The company has not made any preferential allotment of shares to any parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us the company has not issued any Debentures, during the year.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For KAPOOR TANDON & CO.,
Chartered Accountants
Firm Reg. No. 000952C

Place: KANPUR
Date : 30th May, 2012

(RAJESH PARASRAMKA)
Partner
M.No. 074192



BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31st March, 2012 (Rupees)	As at 31st March, 2011 (Rupees)
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	2	114,197,718	114,197,718
b) Reserves and Surplus	3	1,361,086,890	1,193,960,062
c) Money Received against Share Warrants		-	1,446,746
		<u>1,475,284,608</u>	1,309,604,526
2. Non Current Liabilities			
a) Long Term Borrowings	4	310,412,204	269,957,988
b) Deferred Tax Liabilities (Net)	5	103,065,000	101,950,000
		<u>413,477,204</u>	371,907,988
3. Current Liabilities			
a) Short Term Borrowings	6	789,116,086	767,490,382
b) Trade Payables	7	762,975,798	824,922,806
c) Other Current Liabilities	8	481,134,395	348,335,904
d) Short Term Provisions	9	61,637,459	64,372,717
		<u>2,094,863,738</u>	2,005,121,809
TOTAL		<u><u>3,983,625,550</u></u>	<u><u>3,686,634,323</u></u>
II. ASSETS :			
1. Non Current Assets			
(a) Fixed Assets :			
(i) Tangible Assets:	10	1,403,758,069	1,225,397,358
(ii) Capital Work in Progress		75,239,527	87,837,023
(b) Non Current Investments	11	193,205,897	48,510,436
(c) Long Term Loans and Advances	12	49,211,458	51,220,743
(d) Other Non Current Assets	13	11,794,207	3,703,536
		<u>1,733,209,158</u>	1,416,669,096
2. Current Assets			
(a) Inventories	14	1,156,391,143	1,072,371,862
(b) Trade Receivables	15	704,585,643	804,092,421
(c) Cash and Cash Balances	16	224,112,187	211,226,675
(d) Short Term Loans and Advances	17	77,956,887	85,696,931
(e) Other Current Assets	18	87,370,532	96,577,338
		<u>2,250,416,392</u>	2,269,965,227
TOTAL		<u><u>3,983,625,550</u></u>	<u><u>3,686,634,323</u></u>
Significant Accounting Policies	1		

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For and on behalf of the **BOARD OF DIRECTORS**

For KAPOOR TANDON & CO.,
Chartered Accountants
Firm Reg. No. 000952C

A.K. AGARWAL
Director (Finance)

MUKHTARUL AMIN
Chairman and Managing Director

RAJESH PARASRAMKA
Partner
M. No. 074192

R.K.AGRAWAL
Company Secretary

Place : Kanpur
Date : 30th May, 2012



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	2011-12 (Rupees)	2010-11 (Rupees)
REVENUE			
Revenue from operations (gross)	19	4,655,270,590	4,445,433,886
Less : Excise Duty		22,307,596	13,397,077
Revenue from operations (net)		4,632,962,994	4,432,036,809
Other Income	20	28,770,414	41,344,157
Total Revenue		4,661,733,408	4,473,380,966
EXPENSES			
Cost of Material consumed	21	2,678,070,595	2,601,167,537
Purchase of Stock-in-trade	22	215,183,678	231,854,115
(Increase)/decrease in Inventories of Finished Goods, Work-in-Process and Traded Goods	23	(102,685,898)	(130,416,767)
Employee Benefits Expense	24	251,449,483	233,743,911
Finance Costs	25	159,823,065	100,099,891
Depreciation and Amortisation	26	96,718,573	91,699,447
Other Expenses	27	1,066,785,415	1,084,711,966
Total Expenses		4,365,344,911	4,212,860,100
Profit Before Tax		296,388,497	260,520,866
Tax Expenses			
- Current Tax		101,800,000	85,000,000
- Deferred Tax		1,115,000	3,698,000
- Tax adjustments relating to earlier years		1,886,070	(4,288)
Profit for the year		191,587,427	171,827,154
Earning per Equity Share (EPS)			
(Face value of Rs 10 each)	28		
Basic		17.38	15.59
Diluted		17.38	15.59
Significant Accounting Policies	1		

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For and on behalf of the **BOARD OF DIRECTORS**

For KAPOOR TANDON & CO.,
Chartered Accountants
Firm Reg. No. 000952C

A.K. AGARWAL
Director (Finance)

MUKHTARUL AMIN
Chairman and Managing Director

RAJESH PARASRAMKA
Partner
M. No. 074192

R.K.AGRAWAL
Company Secretary

Place : Kanpur
Date : 30th May, 2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

	<u>2011-12</u> <u>(Rupees)</u>	<u>2010-11</u> <u>(Rupees)</u>
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	296,388,497	260,520,866
Adjustment for :		
Depreciation	96,718,573	91,699,447
Interest - Paid	107,748,676	78,623,402
Interest - Earned	(9,417,977)	(7,314,752)
Fixed Assets - Loss on sale	3,590,223	1,622,046
Fixed Assets - Profit on sale	(1,154,076)	(2,935,245)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	493,873,916	422,215,764
ADJUSTMENTS FOR :		
Trade and Other receivables	110,372,242	(167,138,149)
Inventories	(84,019,281)	(189,690,126)
Trade and Other Payables	(50,449,821)	162,783,150
CASH GENERATED FROM OPERATIONS	469,777,056	228,170,639
Income Tax Paid (net of Refunds)	(104,045,592)	(70,523,691)
NET CASH FROM OPERATING ACTIVITIES	365,731,464	157,646,948
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets(including CWIP)	(284,298,430)	(239,142,490)
Sale of Fixed Assets	12,693,446	7,173,020
Purchase of Investments	(144,695,461)	(476,885)
Interest received	9,417,977	7,314,752
NET CASH USED IN INVESTING ACTIVITIES	(406,882,468)	(225,131,603)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term Borrowings	296,223,296	169,666,077
Repayments from Long term Borrowings	(136,843,512)	(121,748,899)
Net Increase/(Decrease) in cash/ Export credit facilities and short term loans	21,625,704	150,259,739
Interest paid	(107,748,676)	(78,623,402)
Dividend paid	(16,537,500)	(12,554,801)
Dividend Distribution Tax paid	(2,682,796)	(2,197,338)
NET CASH FLOW USED IN FINANCING ACTIVITIES	54,036,516	104,801,376
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,885,512	37,316,721
OPENING CASH AND CASH EQUIVALENTS	211,226,675	173,909,954
CLOSING CASH AND CASH EQUIVALENTS	224,112,187	211,226,675
Significant accounting policies	1	

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For and on behalf of the **BOARD OF DIRECTORS**

For KAPOOR TANDON & CO.,
Chartered Accountants
Firm Reg. No. 000952C

A.K. AGARWAL
Director (Finance)

MUKHTARUL AMIN
Chairman and Managing Director

RAJESH PARASRAMKA
Partner
M. No. 074192

R.K.AGRAWAL
Company Secretary

Place : Kanpur
Date : 30th May, 2012

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012****1. SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention, except for certain fixed assets which were revalued, on accrual basis of accounting in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), generally accepted accounting principles (GAAP) in India and the relevant provisions of the Companies Act, 1956.

1.2 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reported period. Difference between actual results and estimates are recognized in the period in which the results are known/ materialised.

1.3 Fixed Assets

Fixed Assets, other than those revalued, are stated at their cost of acquisition or construction as the case may be and including all related acquisition/installation expenses and borrowing cost as per Accounting Standard (AS) 16. Subsidy received on Fixed Assets is credited to the cost of respective fixed assets. Assets revalued are stated at their revalued amount. Cost/revalued amount so ascertained is adjusted for accumulated depreciation/amortization and provision for impairment. Intangible Assets are stated at cost of acquisition less accumulated amortisation/impairment.

1.4 Depreciation

Depreciation on Fixed Assets is provided on 'Straight Line Method' in accordance with the provisions of Schedule XIV to the Companies Act, 1956. Leasehold Land is amortised over the period of lease. Depreciation attributable to appreciation due to revaluation of fixed assets (other than leasehold land) is provided according to the rates prescribed in Schedule XIV to the Companies Act, 1956 and equivalent amount is withdrawn from Revaluation Reserve and credited to Profit and Loss Account. In case of impaired assets, depreciation is charged on the adjusted cost net of impairment. Intangible Assets are amortised over a period of five years.

1.5 Impairment of assets

The company assesses at each Balance Sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the "recoverable amount" of asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the "carrying amount", the carrying amount is reduced to its recoverable amount. If at the Balance Sheet date there is an indication that a previously assessed / impaired loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount.

1.6 Capital work in progress

Capital work in Progress includes, cost of assets not yet commissioned, borrowing cost and incidental expenses during construction period.

1.7 Investments

Investments are stated at cost of acquisition less provision for diminution in value, other than temporary, of long term Investments.

1.8 Inventories

Raw materials, Chemicals, Components & Spares parts are valued at lower of cost, arrived at on FIFO method (net of CENVAT) or net realisable value. Finished Goods (including stock at port or in transit) and Work in Process are valued at lower of cost or net realisable value. Saleable waste / scrap is valued at estimated realisable value. Inter-unit goods transfers are valued at lower of their respective transfer price or net realisable value. Import entitlements/Licenses are valued at estimated net realizable / utilization value.

1.9 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Contingent liabilities are disclosed by way of notes on accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable. Contingent assets are not recognised in the accounts.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1.10 Revenue Recognition

- i) Sales are inclusive of excise duty but net of sales tax, returns and discounts. Domestic sales are recognised on dispatch of goods to customers. Export sales are recognised on the issuance of Bill of Lading/ Airway Bill by the carrier.
- ii) All other expenses and income are accounted for on accrual basis.

1.11 Government Grants

Grants received against specific fixed assets are adjusted to the cost of the assets and those in the nature of promoter's contribution are credited to capital reserve. Revenue grants are recognized in the Profit and Loss Account in accordance with the related scheme and in the period in which there are accrued.

1.12 Foreign Currency Translations

- i) All foreign currency transactions are recorded at the rates prevailing on the date of the transaction.
- ii) All foreign currency assets and liabilities other than investments are restated / reported at the closing exchange rate prevailing on the date of Balance Sheet.
- iii) The premium or discount on Forward Exchange Contract is amortised on a straight line method over the period of contract.
- iv) Gains and losses arising out of fluctuations in the exchange rates are recognised in Profit and Loss Account.
- v) Investments in wholly owned subsidiaries are carried in Balance sheet at the rates prevailing on the dates of transactions.

1.13 Overseas Office

- i) Revenue items except opening & closing inventory and depreciation: at average exchange rate.
- ii) Fixed Assets and Depreciation: at exchange rate prevalent at the time of acquisition of the assets.
- iii) Current Assets and Current Liabilities: at the closing exchange rate prevalent on the date of Balance Sheet.
- iv) The exchange difference resulting from the translations of items in the financial statements of foreign branch are recognised as income or expense as the case may be.

1.14 Accounting for Retirement Benefits

- i) Company's contributions to Provident Fund are charged to Profit and Loss Account.
- ii) The company has created a trust with Life Insurance Corporation of India under the Group Gratuity Scheme in which actuarial valuation is carried out annually in the month of March. The amount required to be contributed to meet the accrued liability as per the actuarial valuation is charged to Profit and Loss Account.
- iii) Provision for leave encashment is done on the basis of leaves accrued as at the end of the year.

1.15 Excise Duty

Excise Duty is accounted for as and when paid on clearance of goods from bonded premises. No provision is made for excise Duty in respect of finished products lying in bonded premises since major sales comprises of Export Sales.

1.16 Borrowing Cost

Interest and other cost in connection with the borrowing of funds are capitalized up to the date when such qualifying assets are ready for its intended use and other borrowing costs are charged to Profit and Loss Account.

1.17 Taxation

Provision for Income Tax is made after considering the various deductions/benefits admissible under the Income Tax Act, 1961. In accordance with AS 22 'Accounting for Taxes on Income' issued by ICAI, the company has recognised Deferred Tax arising out of timing differences between taxable income and accounting income and quantified the same using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

1.18 Prior Period Items

Prior period items, if material, are disclosed separately.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	As at 31st March, 2012 (Rupees)	As at 31st March, 2011 (Rupees)
2. SHARE CAPITAL		
Authorised		
15,000,000 Equity Shares of Rs.10/- each	<u>150,000,000</u>	<u>150,000,000</u>
Issued, Subscribed and fully paid up		
11,025,000 Equity Shares of Rs.10/- each fully paid up	<u>110,250,000</u>	<u>110,250,000</u>
Add: Equity Shares forfeited (Amount originally paid up in respect of 39,47,718 share)	<u>3,947,718</u>	<u>3,947,718</u>
Total	<u><u>114,197,718</u></u>	<u><u>114,197,718</u></u>

2.1 Reconciliation of the shares outstanding at the beginning and at the end of the year:

Equity shares	As at 31st March 2012		As at 31st March 2011	
	No. of Shares	(Rupees)	No. of Shares	(Rupees)
At the beginning of the year	11,025,000	110,250,000	11,025,000	110,250,000
Changes during the year	-	-	-	-
Outstanding at the end of the year	<u>11,025,000</u>	<u>110,250,000</u>	<u>11,025,000</u>	<u>110,250,000</u>

2.2 Term/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.3 Bonus Shares/Shares for consideration other than cash issued & Buy Back of shares during preceding five years: NIL

2.4 Shares held by holding/ultimate holding company and/or their subsidiaries/associates: NIL

2.5 Details of shareholders holding more than 5% shares in the company

Name of the Share Holder	As at 31st March 2012		As at 31st March 2011	
	No. of Shares	% held	No. of Shares	% held
Mr.Mukhtarul Amin	1,303,106	11.82%	1,302,906	11.82%
Steven Construction Limited	1,325,719	12.02%	1,325,719	12.02%



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	As at 31st March, 2012 (Rupees)	As at 31st March, 2011 (Rupees)
3. RESERVES AND SURPLUS		
Capital Reserves		
At commencement of the year	101,098,825	101,098,825
Add: Share Warrant Money forfeited during the year	1,446,746	-
	102,545,571	101,098,825
Securities Premium Reserve		
At commencement of the year	178,721,597	178,721,597
Revaluation Reserve		
At commencement of the year	46,331,368	53,098,313
Less: Amount transferred to the Statement of profit and loss as reduction from depreciation	6,687,049	6,766,945
	39,644,319	46,331,368
General Reserves		
At commencement of the year	400,000,000	300,000,000
Add : From the Statement of Profit and Loss	100,000,000	100,000,000
	500,000,000	400,000,000
Surplus in the Statement of profit and loss		
At commencement of the year	467,808,272	415,201,414
Profit for the year	191,587,427	171,827,154
	659,395,699	587,028,568
Less: Appropriations		
Proposed final dividend on equity share [Rs. 1.50 per share (Rs 1.50 per share)]	16,537,500	16,537,500
Dividend Distribution Tax	2,682,796	2,682,796
Transfer to General Reserve	100,000,000	100,000,000
	540,175,403	467,808,272
TOTAL	1,361,086,890	1,193,960,062
4. LONG TERM BOROWINGS		
Secured Term Loans		
Indian rupee loan from bank(s)	144,882,812	125,791,686
Foreign currency loan from bank(s)	165,529,392	144,166,302
TOTAL	310,412,204	269,957,988
4.1 Indian rupee & foreign currency loans from bank(s) are primarily secured by equitable mortgage/hypothecation of specific fixed assets. Also secured collaterally by equitable mortgage of company's specific land and building. Further secured by personal guarantee of promoter director(s) of the company. ECB carries a non disposable undertaking of the Shares of the acquired WOS.		
4.2 These Loans are repayable over a period upto 6 years.		
4.3 Continuing default in respect of principal and or interest	Nil	Nil



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	As at 31st March, 2012 (Rupees)	As at 31st March, 2011 (Rupees)
5. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability		
<i>on account of</i>		
Depreciation	118,081,465	112,718,000
Gross deferred tax liability	118,081,465	112,718,000
Deferred Tax Assets		
<i>on account of</i>		
Provision for doubtful debts	886,595	610,000
Provision for Gratuity	8,272,512	3,825,000
Other Timing Differences	5,857,358	6,333,000
Gross deferred tax assets	15,016,465	10,768,000
Net Deferred Tax Liability @	103,065,000	101,950,000
<p>@ Deferred Tax Assets and Deferred Tax Liabilities have been set off in accordance with clause 29 of AS 22 .</p>		
6. SHORT TERM BORROWING		
Secured		
Working Capital Loans		
Indian rupee loan from bank(s)	743,426,295	711,361,678
Foreign currency loan from bank(s)	45,689,791	56,128,704
TOTAL	789,116,086	767,490,382
6.1 Working Capital Loans are primarily secured by hypothecation of present and future stock of raw materials, stock in process, finished goods, stores and spares, book debts, outstanding monies, receivable claims, bills and materials in transit. Also secured collaterally by equitable mortgage of company's specific factory land and building.		
7. TRADE PAYABLES		
Sundry Creditors (refer Note 7.1)	762,975,798	824,922,806
TOTAL	762,975,798	824,922,806
7.1 The company has requested confirmation from Suppliers regarding their registration (filling of Memorandum) under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). According to the information available with the company there was no amount (principal and/or interest) due to any micro/ small enterprises (SME as defined in the Act) as at the end of the year. There is no delay in payment to SME during the year. No interest was paid/payable on account of delay in payment to SME during the year in terms of Section 16 of the Act.		
8. OTHER CURRENT LIABILITIES		
Current maturity of long term borrowings	255,769,080	136,843,512
Interest accrued but not due on borrowings	57,985	20,827
Interest accrued and due on borrowings	5,509,162	3,661,208
Book overdraft with banks	1,237,225	622,695
Subsidiary Companies	2,650,596	17,336,808
Advance from Customers	38,467,806	28,619,626
Unpaid dividend (refer Note 8.1)	8,742,499	6,107,835
Other Liabilities	168,700,042	155,123,393
TOTAL	481,134,395	348,335,904
8.1 There are no amounts due for payment to Investor Education & Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.		
9. SHORT TERM PROVISIONS		
Provision for Tax	315,627,000	221,750,000
Less: Advance Tax	287,599,707	193,363,185
Provision for Gratuity	8,272,512	11,504,149
Provision for Leave Encashment	5,857,358	5,071,457
Proposed Final Dividend	16,537,500	16,537,500
Provision for Dividend Distribution Tax	2,682,796	2,682,796
Provision for Wealth Tax	260,000	190,000
TOTAL	61,637,459	64,372,717



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012
10. FIXED ASSETS (Rupees)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NETBLOCK		
	AS AT 01.04.2011	ADDITIONS	SALES/ADJ.	AS AT 31.03.2012	UP TO 31.03.2011	FOR THE YEAR	ON REVALUATION	ADJ.	UP TO 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
Land Leasehold	100,992,898	26,614,748	-	127,607,646	10,337,928	792,070	220,061	-	11,350,059	116,257,587	90,654,970
Land Freehold	10,834,994	899,280	6,433,145	5,301,129	-	-	-	-	-	5,301,129	10,834,994
Building :											
Factory	502,887,799	160,785,782	-	663,673,581	129,956,420	16,502,398	2,140,371	-	148,599,189	515,074,392	372,931,379
Non-Factory	78,085,147	1,432,471	-	79,517,618	5,940,264	1,370,061	-	-	7,310,325	72,207,293	72,144,883
Plant and Equipments	1,161,914,419	70,888,532	9,070,186	1,223,732,765	562,739,017	64,301,758	4,326,617	4,108,196	627,259,196	596,473,569	599,175,402
Furniture & Fittings	62,070,045	7,116,623	29,500	69,157,168	34,862,044	3,797,672	-	700	38,659,016	30,498,152	27,208,001
Vehicles	70,657,762	26,874,228	7,812,105	89,719,885	24,511,257	7,578,828	-	4,106,447	27,983,638	61,736,247	46,146,505
Computers	29,289,796	2,284,262	-	31,574,058	22,988,572	2,375,786	-	-	25,364,358	6,209,700	6,301,224
TOTAL	2,016,732,860	296,895,926	23,344,936	2,290,283,850	791,335,502	96,718,573	6,687,049	8,215,343	886,525,781	1,403,758,069	1,225,397,358
PREVIOUS YEAR	1,779,390,861	248,381,114	11,039,115	2,016,732,860	698,048,404	91,699,447	6,766,945	5,179,294	791,335,502	1,225,397,358	-

10.1 Building and Plant and Machinery include Gross Block Rs. 1,79,88,995 (Rs. 1,79,88,995) and Rs. 10,07,184 (Rs. 10,07,184) respectively and Net block Rs. 1,51,31,480 (Rs. 1,54,24,701) and Rs. 6,89,624 (Rs. 7,23,264) respectively in respect of expenditure incurred on capital assets, ownership whereof does not vest with the company.

10.2 Certain Fixed Assets of the Company were revalued by the Approved Valuer, on the basis of fair market value as on 31.12.1994. Accordingly value of Fixed Assets of the Company was increased by Rs. 15,59,29,935 (Leasehold Land Rs. 3,09,83,028, Factory Building Rs. 6,40,82,953 and Plant and Machinery Rs. 6,08,63,954) and the corresponding amount was credited to the Revaluation Reserve.

10.3 Fixed Assets given on operating Lease (Rupees)

	Building Factory		Plant & Equipments	
	2011-12	2010-11	2011-12	2010-11
Gross carrying amount	5,101,357	5,101,357	28,124,302	28,124,302
Accumulated Depreciation	1,973,709	1,803,324	22,025,052	19,920,819
Depreciation for the year	170,385	170,385	2,104,233	2,104,233



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	As at 31st March, 2012 (Rupees)	As at 31st March, 2011 (Rupees)
11. NONCURRENT INVESTMENTS		
<i>(Long Term Investments)</i>		
Trade (valued at cost unless stated otherwise)		
EQUITY SHARES - UNQUOTED		
A. INVESTMENT IN SUBSIDIARIES		
i. Superhouse (U.K.) Ltd. 150,000 Ordinary Shares of GBP 1 each fully paid	10,618,924	10,618,924
ii. Superhouse (USA) International Inc. 240 (155) Non assessable Shares, no par value amounting to USD 113,070 (USD 73,070)	5,025,924	3,388,324
iii. Superhouse Middle East FZC 100 Shares of DHR 2000 each fully paid up	2,419,366	2,419,366
iv. Superhouse RO SRL Nil (20) Shares @ RON 10 each fully paid up	-	3,322
v. Briggs Industrial Footwear Ltd. 4,08,441 (Nil) Ordinary Shares of GBP 1 each fully paid	134,461,183	-
	152,525,397	16,429,936
B. INVESTMENT IN ASSOCIATES		
i. Steven Construction Ltd. 16,00,000 Equity Shares of Rs. 10/- each fully paid	16,000,000	16,000,000
5,00,000 Equity Shares of Rs. 10/- each, Paid up Rs. 2/- each	1,000,000	1,000,000
ii. Unnao Tanneries Pollution Control Company 153,080 Equity Shares of Rs.10/- each fully paid	1,530,800	1,530,800
iii. Tritan Leather Works (P) Ltd. 764,300 Equity Shares of Rs.10/- each fully paid	7,643,000	7,643,000
iv. Knowledgehouse Ltd. 860,000 (Nil) Equity Shares of Rs.10/- each fully paid	8,600,000	-
v. Amin International Ltd. 304,900 Equity Shares of Rs.10/- each fully paid	3,049,000	3,049,000
	37,822,800	29,222,800
C. OTHERS		
i. Industrial Infrastructure Services India 185,120 Equity Shares of Rs.10/- each fully paid	1,851,200	1,851,200
ii. Kanpur Unnao Leather Cluster Dev. Co. Ltd 1,00,000 Equity Shares of Rs. 10/- each fully paid	1,000,000	1,000,000
	2,851,200	2,851,200
Total (A)	193,199,397	48,503,936



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	As at 31st March, 2012 (Rupees)	As at 31st March, 2011 (Rupees)
Non Trade (valued at cost unless stated otherwise)		
EQUITY SHARES - QUOTED		
i. Super Tannery Ltd. 3000 Equity Shares of Rs. 1/- each fully paid.	6,500	6,500
ii. Mideast Integrated Steels Ltd. (Delisted) 20,000 Equity Shares of Rs.10/- each fully paid	400,000	400,000
iii. Somani Iron & Steels Ltd. (Delisted) 8,700 Equity Shares of Rs.10/- each fully paid	261,000	261,000
	<u>667,500</u>	<u>667,500</u>
Less: Provision for Diminution in value	<u>661,000</u>	<u>661,000</u>
Total (B)	6,500	6,500
TOTAL (A+B)	193,205,897	48,510,436
Book value of Quoted Investments (Net of Provisions)	6,500	6,500
Book value of Unquoted Investments	193,199,397	48,503,936
Market value of Quoted Investments	5,850	8,040
12. LONG TERM LOANS & ADVANCES (unsecured considered good)		
Capital Advances	36,022,518	30,505,207
Security Deposit	12,733,430	10,843,612
Advance to Subsidiaries	455,510	1,061,400
Advance recoverable in cash or kind or for value to be received	-	8,810,524
TOTAL	49,211,458	51,220,743
13. OTHER NON CURRENT ASSETS (unsecured considered good)		
Foreign Currency Monetary Item Translation Difference Account (refer Note No. 13.1)	10,092,857	-
Share Application Money	1,701,350	3,703,536
TOTAL	11,794,207	3,703,536
13.1 The Company (Accounting Standards) Second Amendment Rules, 2011 has amended the provisions of AS-11 relating to "The effect of the Change in Foreign Exchange Rates" vide notification dated December 29, 2011. In terms of the amendments, the company has opted to carry over the Long Term Monetary Loss and amortise the same over balance period of such long term asset/liability.		
14. INVENTORIES (valued at lower of cost and net realisable value)		
Raw Materials	192,943,361	208,162,595
Work in Progress (refer Note 30)	404,210,784	414,725,179
Finished Goods (refer Note 29) [Including stock at port Rs. 7,76,76,790 (Rs. 8,35,21,980)]	389,371,485	276,171,192
Chemicals, Components and Spare Parts	165,961,355	162,366,368
Import Entitlements/Licenses in hand	3,904,158	10,946,528
TOTAL	1,156,391,143	1,072,371,862
Finished Goods include Stock in Trade, as both are stocked together		



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	As at 31st March, 2012 (Rupees)	As at 31st March, 2011 (Rupees)
15. TRADE RECEIVABLES		
(Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	40,171,555	67,009,630
Considered Doubtful	788,858	1,825,812
Less: Provision for Doubtful Receivables	788,858	1,825,812
Others		
Considered Good	664,414,088	737,082,791
TOTAL	704,585,643	804,092,421
Trade receivable include:		
Due from subsidiary companies Rs. 4,64,11,187 (Rs. 8,24,45,124)		
16. CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on Hand (as Certified by the Management)	6,541,918	8,052,251
Cheques in hand/Remittance in Transit	-	2,022,408
Balances with Banks on:		
Current Accounts	93,575,337	67,423,059
Foreign Currency Account (EEFC A/c)	3,928,512	1,335,756
	104,045,767	78,833,474
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	34,165,000	37,079,570
Margin Money Deposit Accounts	77,158,921	89,205,796
Unclaimed Dividend Account	8,742,499	6,107,835
	120,066,420	132,393,201
TOTAL	224,112,187	211,226,675
17. SHORT TERM LOANS & ADVANCES		
(Unsecured considered good)		
Advance recoverable in cash or kind or for value to be received	77,956,887	85,696,931
TOTAL	77,956,887	85,696,931
18. OTHER CURRENT ASSETS		
(Unsecured considered good)		
Interest accrued on fixed deposits	10,888,613	6,663,510
Export Incentive Receivable	61,260,889	74,881,919
VAT/Sales Tax Receivable	13,903,086	12,212,503
Other Claim Receivable	1,317,944	2,819,406
TOTAL	87,370,532	96,577,338



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	2011-2012 (Rupees)	2010-2011 (Rupees)
19. REVENUE FROM OPERATIONS		
Revenue from operations		
Sale of products (refer Note 19.1)		
Sales (Export)	3,804,038,827	3,624,441,031
Sales (Indigenous)	<u>516,748,425</u>	<u>483,935,747</u>
	<u>4,320,787,252</u>	<u>4,108,376,778</u>
Other operating revenue		
Export Incentives (refer Note 19.2)	<u>334,483,338</u>	<u>337,057,108</u>
Revenue from operations (gross)	<u>4,655,270,590</u>	<u>4,445,433,886</u>
19.1 Details of product sold		
Leather and Leather Products	3,643,857,690	3,525,729,840
Textile Products	643,515,051	557,091,449
Others	33,414,511	12,158,412
TOTAL	<u>4,320,787,252</u>	<u>4,094,979,701</u>
19.2 Details of other operating revenue		
Duty Draw Back Received	198,211,941	215,567,655
Licences/Entitlements Received	<u>136,271,397</u>	<u>121,489,453</u>
TOTAL	<u>334,483,338</u>	<u>337,057,108</u>
20. OTHER INCOME		
Interest income		
from Fixed Deposit with Banks	8,895,659	6,511,450
from Others	<u>522,318</u>	<u>803,302</u>
Dividend income		
from subsidiary companies	341,325	-
from trade investments	-	377,925
Profit on Sale of Fixed Assets	1,154,076	2,935,245
Miscellaneous Income	15,291,636	28,462,935
Rent	<u>2,565,400</u>	<u>2,253,300</u>
TOTAL	<u>28,770,414</u>	<u>41,344,157</u>
21. COST OF MATERIAL CONSUMED		
<u>Raw Material consumed</u>		
Finished Leather	619,379,389	480,779,707
Raw Hide/Skin	463,391,889	402,567,921
Fabric	306,569,173	289,448,301
Sole	145,837,311	168,809,733
PU / PVC Compound	142,314,703	166,418,872
Others	<u>126,643,473</u>	<u>145,543,575</u>
Raw Material consumed	<u>1,804,135,938</u>	<u>1,653,568,109</u>
Chemicals, Components and Spare Parts consumed	753,724,289	812,477,911
Packing Material consumed	<u>120,210,368</u>	<u>135,121,517</u>
Cost of material consumed	<u>2,678,070,595</u>	<u>2,601,167,537</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	<u>2011-2012</u> (Rupees)	<u>2010-2011</u> (Rupees)
22. PURCHASE OF STOCK-IN-TRADE		
Leather and Leather Products	215,183,678	231,854,115
TOTAL	215,183,678	231,854,115
23. DECREASE/(INCREASE) IN INVENTORIES		
Inventories at the end of the year		
Finished Goods	389,371,485	276,171,192
Work in Progress	404,210,784	414,725,179
TOTAL 'A'	793,582,269	690,896,371
Inventories at the beginning of the year		
Finished Goods	276,171,192	238,874,704
Work in Progress	414,725,179	321,604,900
TOTAL 'B'	690,896,371	560,479,604
Decrease/(Increase) in Stocks(A-B)	102,685,898	130,416,767
24. EMPLOYEE BENEFITS EXPENSES		
Salary, Wages and Bonus	216,027,890	194,552,870
Contribution to Provident and other funds	17,329,815	16,230,806
Gratuity	3,610,577	7,800,600
Workmen and Staff Welfare expenses	14,481,201	15,159,635
TOTAL	251,449,483	233,743,911
25. FINANCE COSTS		
Interest on		
- Term Loan	44,833,461	30,497,177
- Others	67,799,922	49,448,377
	112,633,383	79,945,554
Bank Charges	26,942,830	23,943,669
Exchange Difference (net)	25,131,559	(2,467,180)
	164,707,772	101,422,043
Less: Interest capitalised	4,884,707	1,322,152
TOTAL	159,823,065	100,099,891
25.1 Exchange fluctuation includes Rs. 16,82,143 being amortisation of Foreign Currency Monetary Item Translation Difference Account in terms of provisions contained in AS-11(Revised).		
26. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of tangible assets	103,405,622	98,466,392
Less: recoupment from revaluation reserve	6,687,049	6,766,945
TOTAL	96,718,573	91,699,447



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	2011-2012 (Rupees)	2010-2011 (Rupees)
27. OTHER EXPENSES		
Manufacturing Expenses		
Consumable Stores	68,147,090	57,104,093
Job Work/Processing Charges	396,162,198	426,291,046
Power and Fuel	103,974,965	108,055,695
Effluent Treatment Expenses	4,525,820	6,008,627
Repairs and Maintenance		
- Building	6,518,565	6,605,260
- Machinery	25,332,160	30,093,999
Selling and Distribution Expenses		
Freight, Handling and Other Sales and Distribution Expenses	174,458,550	193,421,250
Commission on Sale	147,273,972	132,082,848
Advertisement and Publicity	2,532,288	3,872,779
Bad Debts - Provision/write off	7,032,879	4,037,859
Establishment Expenses		
Rent	10,225,465	10,326,076
Rates and Taxes	5,060,964	2,946,739
Insurance	9,455,868	8,265,152
Communication cost	12,501,909	14,147,040
Travelling and Conveyance	23,522,467	19,414,235
Vehicle Running and Maintenance	15,599,202	14,729,415
Repairs and Maintenance - Others	16,757,524	13,339,832
Printing and Stationery	5,058,567	5,080,072
Legal and Professional Charges	7,098,373	7,511,300
Auditor's Remuneration (refer Note No. 26.1)	1,083,166	1,099,883
Cost Audit fee	49,120	33,090
Miscellaneous Expenses	13,249,269	13,034,194
Research & Development Expenses	3,317,042	2,220,199
Charity and Donation	1,541,931	3,346,122
Loss on Sale of Fixed Assets	3,590,223	1,622,046
Losses of Subsidiary written off (refer Note no. 27.2)	2,715,838	-
Diminution in value of Quoted Investments	-	23,115
TOTAL	1,066,785,415	1,084,711,966
27.1 Payment to auditor		
As Auditor:		
Audit Fees	827,250	772,100
Tax audit Fee	82,725	82,725
In other capacity:		
Taxation & other services	173,191	245,058
TOTAL	1,083,166	1,099,883

27.2 Superhouse RO - SRL, a wholly owned subsidiary (WOS) of the company in Romania has been wound up during the year vide Order dated 14.03.2012. Consequently, the Investment of the company in form of Shares, Share Application Money & Advances aggregating to Rs. 27,15,838 has been written off during the year.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	2011-2012 (Rupees)	2010-2011 (Rupees)
28. Earning per share (EPS)		
Profit for the year	191,587,427	171,827,154
Weighted average number of equity shares for the purpose of calculation of Basic and Diluted EPS	11,025,000	11,025,000
Nominal value of equity shares (Rs.)	10.00	10.00
EPS- Basic and diluted (Rs.)	17.38	15.59
29. Closing Inventory of Finished Goods		
Leather and Leather Products	368,552,560	253,815,201
Textile Products	16,373,272	20,113,473
Others	4,445,653	2,242,518
TOTAL	<u>389,371,485</u>	<u>276,171,192</u>
30. Closing Inventory of Work-in-Progress		
Leather and Leather Products	367,143,672	377,508,410
Textile Products	37,067,112	37,216,769
TOTAL	<u>404,210,784</u>	<u>414,725,179</u>

31. Imported and indigenous raw materials, components and spare parts consumed

PARTICULARS	2011-12		2010-11	
	Rupees	%	Rupees	%
Raw Material				
Imported	331,141,656	18.35%	422,263,805	25.54%
Indigenous	1,472,994,282	81.65%	1,231,304,304	74.46%
Chemicals Components, Stores & Spare parts (including Packing Material)				
Imported (Direct)	195,252,058	22.34%	180,939,632	19.09%
Indigenous	678,682,599	77.66%	766,659,796	80.91%

In respect of items which are purchased both from indigenous and imported sources, the identity of individual items consumed cannot be established but segregation of consumption between imported and indigenous sources has been made on a reasonable approximation determined from the Company's records.

32. Value of Imports on CIF basis

(excluding purchases from canalising agencies and imported items purchased locally)

Raw Materials	255,291,893	403,619,140
Chemicals, Stores, Components and Spare Parts	215,269,685	172,929,519
Capital Goods	46,059,886	79,189,650
Finished Goods	23,380	443,799
	<u>516,644,844</u>	<u>656,182,108</u>

33. Earnings in foreign exchange

Export of goods calculated on FOB Basis	3,774,925,803	3,552,386,784
Dividend Received	341,325	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	<u>2011-2012</u> (Rupees)	<u>2010-2011</u> (Rupees)
34. Expenditure in foreign currency		
- Travelling	5,844,952	55,07,794
- Commission on Sales	151,970,810	12,32,97,189
- Interest on Loans	19,565,486	1,43,20,320
- Foreign Bank Charges	9,728,379	90,71,584
- Others	29,609,717	2,08,81,320
35. Remittance in foreign currency on account of Dividend	NIL	NIL
36. Defined Benefit Plan		
<p>The employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by the trust maintained with LIC. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.</p>		
<u>Reconciliation of Opening and Closing balance of present value of defined benefit obligation for Gratuity</u>		
Present Value of Obligation at beginning of the year	24,258,918	17,161,521
Current Service Cost	3,250,719	3,185,539
Interest Cost	2,062,008	1,415,825
Benefits paid	(2,814,227)	(1,394,027)
Actuarial (Gain)/Loss on Obligations	(702,537)	2,123,624
Plan amendments	-	1,766,436
Present Value of Obligation at end of the year	26,054,881	24,258,918
<u>Reconciliation of Opening and Closing Fair Value of Plan Assets</u>		
Fair Value of Plan Assets at beginning of the year	12,754,769	7,668,687
Expected Return on Plan Assets	1,167,061	749,497
Contributions	6,714,367	5,730,612
Benefit Paid	(2,814,227)	(1,394,027)
Actuarial Gain / (Loss) on Plan Assets	(39,601)	-
Fair Value of Plan Assets at end of the year	17,782,369	12,754,769
<u>Reconciliation of Present Value of Obligations and Fair Value of Plan Assets</u>		
Fair Value of Plan Assets at end of the year	17,782,369	12,754,769
Present Value of Obligation at end of the year	26,054,881	24,258,918
Asset/(Liability) recognised in the Balance Sheet	(8,272,512)	(11,504,149)
<u>Expenses recognised during the year</u>		
Current Service Cost	3,250,719	3,185,539
Interest Cost	2,062,008	1,415,825
Expected Return on Plan Assets	(1,167,061)	(749,497)
Plan amendments	-	1,766,436
Total Actuarial Loss/(Gain) recognised during the year	(662,936)	2,123,624
Net Cost recognised in Profit and Loss Account	3,482,730	7,741,927
<u>Assumptions</u>		
Discount Rate (p.a.)	8.50%	8.25%
Expected Rate of increase in Salary (p.a.)	5.00%	5.00%
Expected Rate of return on Plan Assets (p.a.)	9.25%	9.15%
Defined Contribution Plan		
Employers contribution to PF and FPF	12,432,846	11,198,104
Employers contribution to ESI	4,896,969	5,032,702



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

37. The related party disclosure in accordance with AS 18 'Related Party Disclosures' issued by ICAI, is given below:

A. Relationship

i. Subsidiary (Wholly owned) Company

- a) Superhouse (U.K.) Ltd., UK
- b) Superhouse (USA) International Inc., USA
- c) Superhouse Middle East FZC, Azman
- d) Superhouse Ro SRL, Romania (wind up during the year)
- e) Briggs Industrial Footwear Ltd. (U.K.)

ii. Joint Ventures & Associates:

Joint Venture: Nil

Associates:

- a) Unnao Tanneries Pollution Control Company
(A company registered under Section 25 of the Companies Act, 1956)
- b) Tritan Leather Works Pvt. Ltd.
- c) M/s Prime International (a partnership firm)
- d) M/s Shoe House (a partnership firm)
- e) Steven Construction Ltd.
- f) Chowdhary Overseas Ltd.
- g) Amin International Ltd.
- h) M/s Aleena International
- i) Rojus Enterprises Ltd.
- j) Moderiba Hygene Solution Ltd.
- k) Superhouse Accessories Ltd.
- l) Creemos International Ltd.
- m) Knowledgehouse Ltd.

iii. Key Management Personnel & Relatives:

- a) Mr. Mukhtarul Amin – Chairman & Managing Director
- b) Mr. Zafarul Amin – Jt. Managing Director (Son of Mr. Mukhtarul Amin)
- c) Mr. Vinay Sanan – Executive Director
- d) Mr. A.K. Agarwal – Director (Finance)
- e) Mr. Mohd. Shadab – Director
- f) Mrs. Shahina Mukhtar – Director (Wife of Mr. Mukhtarul Amin)
- g) Mr. Deepak Sanan (Son of Mr. Vinay Sanan)

B. The following transactions were carried out with related parties in the ordinary course of business during the year:
(Rupees)

Particulars	Subsidiary Companies		Associates	
	2011-12	2010-11	2011-12	2010-11
Purchases of Materials/Finished Goods	805,370	-	124,848,464	14,37,16,366
Sale of Materials/Finished Goods	115,619,263	16,17,48,055	118,237,349	10,00,46,465
Purchase of Fixed Assets	-	-	1,405,905	3,800
Sale of Fixed Assets	-	-	659,890	2,98,388
Services rendered/other receipts	-	-	2,808,024	3,75,013
Services availed	15,918,916	2,33,28,010	27,829,729	3,65,98,926
Rent received	-	-	2,956,445	22,25,437
Dividend received	341,325	-	-	-
Investments & Advances w/off (refer Note 27.2)	2,715,838	-	-	-
Preferential warrant money w/back	-	-	1,446,746	-
Balances at the end of the year:				
Receivables (including Advances)	46,866,697	8,35,06,524	34,372,892	5,70,18,664
Payables	2,650,596	1,73,36,808	13,711,721	37,913,854
Share Application Money (advance)	-	37,03,536	-	-
Investments	152,525,397	1,64,29,936	36,292,000	2,76,92,000



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Key Management Personnel and relatives:

(Rupees)

Particulars	2011-12	2010-11
Rent paid	1,530,000	15,15,000
Remuneration to whole time Directors	29,616,908	2,57,75,615
Remuneration Payable (including Provisions)	14,857,003	1,20,90,160

38. Capital and other commitments

2011-12

2010-11

Estimated value of contracts remaining to be executed on capital account (net of advances)

24,185,673

38,594,000

39. Contingent liabilities

(Rupees)

	2011-12	2010-11
Claim against the company not acknowledged as debt	2,563,214	55,24,624
Contingent Liabilities in respect of:		
i. Guarantees issued by the Bank	16,352,506	1,41,99,488
ii. Corporate Guarantee(s) to bank(s) against credit facilities extended to wholly owned subsidiaries in U.K and UAE	295,422,620	7,80,16,360
iii. Letter of Credit opened and outstanding	215,111,043	15,26,42,852
iv. Duty on Export obligation pending	52,234,566	13,48,33,212
v. Electricity demand pending litigation	1,583,688	15,83,688
vi. Forward Exchange Contracts	424,670,505	21,85,04,057
vii. Uncalled Liability on Shares partly paid	4,000,000	40,00,000

viii. The detail of disputed dues (net of amounts paid) as per the clause ix(b) of Section 227 (4A) of the Companies Act, 1956

(Rupees)

Forum where dispute is pending	Period to which relates	2011-12	2010-11
Income Tax:			
CIT Appeals, Kanpur	A.Y. 2002-03	210,378	2,10,378
ITAT Appeals, Allahabad.	A.Y. 2003-04	2,069,740	20,69,740
CIT Appeals, Kanpur	A.Y. 2007-08	Nil	82,72,270
CIT Appeals, Kanpur	A.Y. 2008-09	7,726,990	Nil
CIT Appeals, Kanpur	A.Y. 2009-10	2,122,820	Nil
Entry Tax:			
Sales Tax Appellate Tribunal	1999-2000	860,729	8,60,729
Joint Commissioner of Trade Tax, Kanpur	2005-2006	586,500	Nil
UP Trade Tax and Central Sales Tax:			
Deputy Commissioner of Trade Tax, Kanpur	1996-1997	Nil	1,19,738
	1997-1998	389,872	3,89,872
	2002-2003	26,503	26,503
	2008-2009	2,745,913	Nil
Joint Commissioner of Trade Tax, Kanpur	2001-2002	151,473	151,473
	2005-2006	28,000	Nil
	2007-2008	165,805	Nil

Above claims are likely to be decided in favour of the company, hence not provided for.

40. Disclosure in respect of Derivative Instruments:

a) Derivative instruments outstanding:

(Foreign Currency in Millions)

Forward Contracts		2011-12	2010-11
Against Exports	USD/INR	1.99	0.25
	EURO/INR	2.92	2.14
	GBP/INR	1.43	0.95

b) All the Derivative Instruments have been acquired for hedging purposes.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

c) Foreign Currency exposures that are not hedged by Derivative Instruments:

(Foreign Currency in Millions)

	USD		EURO		GBP		AED		Aus \$		RON	
	11-12	10-11	11-12	10-11	11-12	10-11	11-12	10-11	11-12	10-11	11-12	10-11
Debtors	3.94	4.91	4.13	4.55	1.57	1.92	-	-	-	0.06	-	-
Creditors	0.21	0.49	0.21	0.19	*	0.02	-	*	-	*	-	-
Other Payables	0.60	0.67	0.78	0.96	0.22	0.17	-	-	-	0.01	-	-
Loan Taken (Principal)	4.93	5.25	-	-	-	*	-	-	-	-	-	-
Advances	0.11	0.16	0.11	0.06	-	-	-	-	-	-	-	0.17
Cash & Bank Balances	0.06	0.02	0.01	*	0.01	-	-	-	-	-	-	-
Corporate Guarantee	-	-	-	-	0.04	0.04	0.04	0.04	-	-	-	-
Letter of Credit	1.29	1.90	0.36	0.13	-	-	-	-	-	-	-	-

* denotes amount less than 0.01 million

41. The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 08.02.2011 and 21.02.2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956 subject to fulfilment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.
42. Financial Statements of the subsidiary companies and related detailed information will be made available to the investors, of the company and subsidiary companies, seeking such information. The financial statements of the subsidiary companies are also kept at Registered Office of the company and that of subsidiary companies for inspection of investors of the company and subsidiary companies.
43. In accordance with Accounting Standard 17, Segment Reporting; segment information has been given in consolidated financial statements of Superhouse Ltd., and therefore, no separate disclosure on segment information is given in these financial statements.
44. **Disclosure in terms of AS 28**
The management has carried out an exercise of identifying the asset that may have been impaired, during the year, in respect of each cash generating unit. On the basis of review carried out by the management, there was no impairment loss on fixed assets during the year.
45. **Disclosure in terms of AS 29**
The company has recognised contingent liabilities as disclosed in Note 39 above and as such no provision is required to be made. No provision was outstanding as at the beginning and at the end of the year.
46. **Disclosure as per clause 32 of the Listing Agreement**

(Rupees)

Name of the company	Relationship	Amount Outstanding as on		Maximum balance outstanding during the year	
		31.03.2012	31.03.2011	2011-12	2010-11
Superhouse (USA) International Inc.	WOS	455,510	2,041,430	2,041,430	2,041,430
Superhouse RO SRL (refer Note 27.2)	WOS	-	2,723,506	2,723,506	2,723,506

47. Debtors include due from firm in which director is interested as partner

(Rupees)

Name of the Firm	Amount Outstanding as on	
	31.03.2012	31.03.2011
M/s Shoe House	8,074,802	8,951,423
M/s Prime International	36,232	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

48. Confirmation of balances with sundry debtors / creditors, loans and advances and other parties have not been received in few cases.

49. Expenditure on Reserch & Development :

(Rupees)

Nature	2011-12	2010-11
Capital Expenditure	NIL	NIL
Revenue Expenditure	33,17,042	22,20,199

50. Previous Year Figures

The Financial Statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to 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 to conform to this year's classification. The adoption of revised Schedule VI for the previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our report of even date

For and on behalf of the **BOARD OF DIRECTORS**

For KAPOOR TANDON & CO.,
Chartered Accountants
Firm Reg. No. 000952C

A.K. AGARWAL
Director (Finance)

MUKHTARUL AMIN
Chairman and Managing Director

RAJESH PARASRAMKA
Partner
M. No. 074192

R.K.AGRAWAL
Company Secretary

Place : Kanpur
Date : 30th May, 2012

Superhouse Limited



Statement pursuant to Section 212 of the Companies Act, 1956 relating to Company's Interest in Subsidiary Companies.

Name of Subsidiary	Superhouse (U.K.) Limited	Superhouse (USA) International Inc.	Superhouse Middle East FZC	Brigges Industrial Footwear Limited
1. Financial Year of the subsidiary ended on	31st March 2012	31st March 2012	31st March 2012	31st March 2012
2. Dates from which they became Subsidiary Companies	1st April, 1999	26th June, 2001	19th October, 2005	06th May, 2011
3. (a) Number of Shares held by Superhouse Limited in the subsidiaries at the end of the financial year	150000 Ordinary Shares of Sterling Pound 1 each fully paid up	240 Non Assessable shares, no par value amounting to USD 113,070	100 fully paid up Shares of DHR 2000 each	4,08,441 Ordinary Shares of Sterling Pound 1 each fully paid up
(b) Extent of interest of holding company at the end of financial year of the Subsidiary Companies	100.00%	100.00%	100.00%	100.00%
4. Net aggregate amount of Subsidiary Companies Profit / (Losses) after tax so far as it concerns the members of Holding Companies				
(a) Not dealt with in the Holding Company's accounts				
(i) For the financial year ended 31st March 2012	Profit Rs.9412656.00 (GBP 92385)	Loss Rs. 396487.00 (USD 10656)	Profit Rs.15635522.00 (DHR 933980)	Profit Rs.30656258.00 (GBP 218119)
(ii) For the Previous financial years of the subsidiary companies since they became the Holding Company's subsidiary	Profit Rs.15492244.00 (GBP 226369)	Loss Rs. 3821963.00 (USD 85448)	Profit Rs.15974805.00 (DHR 1316536)	N.A. (N.A.)
(b) Dealt with in the Holding Company's accounts				
(i) For the financial year ended 31st March 2012	NIL	NIL	NIL	NIL
(ii) For the Previous financial years of the subsidiary companies since they became the Holding Company's subsidiary	NIL	NIL	NIL	NIL

For **KAPOOR TANDON & CO.,**
Chartered Accountants
Firm Reg. No. 000952C

For and on behalf of the **BOARD OF DIRECTORS**

A.K. AGARWAL
Director (Finance)

MUKHTARUL AMIN
Chairman and Managing Director

RAJESH PARASRAMKA
Partner
M. No. 074192

R.K.AGRAWAL
Company Secretary

Place : Kanpur
Date : 30th May, 2012



Superhouse Limited

Details of Subsidiary Companies

S. No.	Name of Subsidiary Company	Superhouse (UK) Limited		Superhouse (USA) International INC.		Superhouse Middle East FZC		Briggs Industrial Footwear Ltd. U.K.	
		Rupees	GBP	Rupees	USD	Rupees	AED	Rupees	GBP
1.	Capital	10,618,924	150,000	5,025,924	113,070	2,419,366	200,000.	33,265,412	408,441
2.	Reserves	33,466,636	418,655	(4,218,450)	(96,104)	31,610,326	2,250,516	137,198,724	1,684,560
3.	Total Assets	103,146,960	1,290,677	1,321,716	27,114	58,152,915	4,200,122	382,057,014	4,679,711
4.	Total Liabilities	59,061,400	722,022	514,242	10,148	24,123,223	1,749,606	211,592,878	2,586,710
5.	Investments	-	-	-	-	-	-	-	-
6.	Turnover/Total Income	207,380,313	2,714,402	-3,755,052	75,925	86,469,994	6,403,715	574,327,603	7,517,377
7.	Profit/(Loss) Before Taxation	9,412,656	92,385	(396,487)	(10,656)	15,635,522	933,980	30,656,258	218,119
8.	Provision for Taxation	1,736,725	22,732	-	-	-	-	3,467,261	45,383
9.	Profit/(Loss) After Taxation	7,675,931	69,653	(396,487)	(10,656)	15,635,522	933,980	27,188,997	172,736
10.	Proposed Dividend	1,871,800	24,500	-	-	-	-	312,018	4,084

Notes :

- Interest on Holding Company 100% 100% 100% 100%
- Refer Note No. 1.12 and 1.13 of Financial Statements for procedures / rates adopted for conversion of figures (of subsidiaries) in foreign currency into Indian rupees.
- Closing Exchange Rate :
 - Exchange Rate as on 31.03.2012 : 1 AED = Rs. 13.91
 - Exchange Rate as on 31.03.2012 : 1 GBP = Rs. 81.80
 - Exchange Rate as on 31.03.2012 : 1 USD = Rs. 51.16

For **KAPOOR TANDON & CO.,**
Chartered Accountants
Firm Reg. No. 000952C

For and on behalf of the **BOARD OF DIRECTORS**

A.K. AGARWAL
Director (Finance)

MUKHTARUL AMIN
Chairman and Managing Director

RAJESH PARASRAMKA
Partner
M. No. 074192

R.K.AGRawal
Company Secretary

Place : Kanpur
Date : 30th May, 2012



AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors
Superhouse Limited

1. We have examined the attached Consolidated Balance Sheet of Superhouse Limited and its subsidiaries (the Superhouse Group) as at 31st March 2012 and also the Consolidated Statement of Profit and Loss and Cash Flow Statement of the Group for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In respect of the financial statements of certain subsidiaries, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of other auditors. The details of assets and revenues in respect of these subsidiaries are given below:

Names of the Companies

Rupees in Lacs

	<u>Total Assets</u>	<u>Total Revenues</u>
i. Superhouse (U.K.) Limited	1,031.47	2,073.80
ii. Briggs Industrial Footwear Ltd.	3,820.57	5,743.28

4. We report that the consolidated financial statements have been prepared by the Group in accordance with the requirements of the Accounting Standard (AS) 21- 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India and on the basis of the separate audited / certified financial statements of the Superhouse Group included in the consolidated financial statements.
5. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on the individual audited financial statements of the Superhouse Group, we are of the opinion, that the consolidated financial statements read together with other notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Superhouse Group as at 31st March, 2012;
 - (b) in the case of Consolidated Statement of Profit and Loss, of the consolidated results of operations of the Superhouse Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Superhouse Group for the year ended on that date.

For KAPOOR TANDON & CO.,
Chartered Accountants
Firm Reg. No. 000952C

Place: KANPUR
Date : 30th May, 2012

(RAJESH PARASRAMKA)
Partner
M.No. 074192



Superhouse Limited

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31st March, 2012 (Rupees)	As at 31st March, 2011 (Rupees)
I. EQUITY AND LIABILITIES :			
1. Shareholders' Funds :			
(a) Share Capital	2	114,197,718	114,197,718
(b) Reserves and Surplus	3	1,467,943,505	1,240,793,434
(c) Money Received against Share Warrants		-	1,446,746
		1,582,141,223	1,356,437,898
2. Non Current Liabilities :			
(a) Long Term Borrowings	4	315,916,772	269,957,988
(b) Deferred Tax Liabilities (Net)	5	103,673,837	101,950,000
		419,590,609	371,907,988
3. Current Liabilities			
(a) Short Term Borrowings	6	789,116,086	772,414,737
(b) Trade Payables	7	906,566,553	835,608,883
(c) Other Current Liabilities	8	576,745,653	345,893,123
(d) Short Term Provisions	9	62,096,489	65,476,434
		2,334,524,781	2,019,393,177
TOTAL		4,336,256,613	3,747,739,063
II. ASSETS :			
1. Non Current Assets			
(a) Fixed Assets :			
(i) Tangible Assets:	10	1,435,240,398	1,255,252,829
(ii) Capital Work in Progress		75,239,527	87,837,023
(b) Non Current Investments	11	50,675,649	37,903,522
(c) Long Term Loans and Advances	12	50,931,629	41,665,673
(d) Other Non Current Assets	13	10,092,857	-
		1,622,180,060	1,422,659,047
2. Current Assets			
(a) Inventories	14	1,384,543,108	1,096,857,327
(b) Trade Receivables	15	912,519,919	817,123,742
(c) Cash and Cash Balances	16	238,500,314	213,578,094
(d) Short Term Loans and Advances	17	92,254,563	96,824,692
(e) Other Current Assets	18	86,258,649	100,696,161
		2,714,076,553	2,325,080,016
TOTAL		4,336,256,613	3,747,739,063
Significant Accounting Policies	1		

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For and on behalf of the **BOARD OF DIRECTORS**

For **KAPOOR TANDON & CO.,**
Chartered Accountants
Firm Reg. No. 000952C

A.K. AGARWAL
Director (Finance)

MUKHTARUL AMIN
Chairman and Managing Director

RAJESH PARASRAMKA
Partner
M. No. 074192

R.K. AGRAWAL
Company Secretary

Place : Kanpur
Date : 30th May, 2012



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	2011-12 (Rupees)	2010-11 (Rupees)
INCOME			
Revenue from operations (gross)	19	5,373,615,654	4,546,209,321
Less : Excise Duty		<u>22,307,596</u>	<u>13,397,077</u>
Revenue from operations (net)		5,351,308,058	4,532,812,244
Other Income	20	50,014,763	43,216,679
Total Revenue (I)		<u><u>5,401,322,821</u></u>	<u><u>4,576,028,923</u></u>
EXPENDITURE			
Cost of Material and Components consumed	21	2,678,070,596	2,601,167,537
Purchase of Stock-in-trade	22	776,485,777	292,309,461
(Increase)/decrease in Inventories of Finished Goods, Work-in-Process and Traded Goods	23	(145,717,676)	(133,459,919)
Employee Benefits Expense	24	330,701,830	249,215,128
Finance Costs	25	171,577,405	102,804,208
Depreciation and Amortisation Expenses	26	99,482,020	92,682,394
Other Expenses	27	1,136,485,828	1,101,216,277
Total Expenses (II)		<u><u>5,047,085,780</u></u>	<u><u>4,305,935,086</u></u>
Profit Before Tax		354,237,041	270,093,837
Tax Expenses			
- Current Tax		104,255,267	87,443,304
- Deferred Tax		3,863,719	3,698,000
- Income tax relating earlier years		1,886,070	(4,288)
Profit for the year		244,231,985	178,956,821
Earning per Equity Share (EPS) (Face value of Rs. 10 each)			
Basic	28	22.15	16.23
Diluted		22.15	16.23
Significant Accounting Policies	1		

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For and on behalf of the **BOARD OF DIRECTORS**

For KAPOOR TANDON & CO.,
Chartered Accountants
Firm Reg. No. 000952C

A.K. AGARWAL
Director (Finance)

MUKHTARUL AMIN
Chairman and Managing Director

RAJESH PARASRAMKA
Partner
M. No. 074192

R.K.AGRAWAL
Company Secretary

Place : Kanpur
Date : 30th May, 2012



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-12 (Rupees)	2010-11 (Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	354,237,041	270,093,837
ADJUSTMENTS FOR:		
Depreciation	99,482,020	92,682,394
Interest - Paid	115,120,558	79,403,819
Interest - Earned	(9,418,818)	(7,338,059)
Fixed Assets - Loss on sale	3,615,664	1,745,590
Fixed Assets - Profit on sale	(1,154,076)	(2,935,245)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	561,882,389	433,652,336
ADJUSTMENTS FOR:		
Trade and Other receivables	(95,747,349)	(154,073,837)
Inventories	(287,685,781)	(192,733,278)
Trade and Other Payables	185,565,019	142,979,978
CASH GENERATED FROM OPERATIONS	364,014,278	229,825,199
Income Tax Paid (net of Refunds)	(108,640,741)	(72,966,995)
NET CASH FROM OPERATING ACTIVITIES	255,373,537	156,858,204
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets(including CWIP)	(290,171,141)	(239,663,623)
Fixed Assets on the date of acquisition of a subsidiary	(6,015,362)	-
Sale of Fixed Assets	16,430,176	7,688,479
Purchase of Investments	(8,600,000)	(476,883)
Interest received	9,418,818	7,338,059
NET CASH USED IN INVESTING ACTIVITIES	(278,937,509)	(225,113,968)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term Borrowings	296,538,051	170,669,742
Repayments from Long term Borrowings	(137,354,509)	(122,996,859)
Net Increase/(Decrease) in cash/ Export credit facilities and short term loans	16,701,349	151,201,127
Capital Reserves on acquisition of a subsidiary	9,125,973	-
Interest paid	(115,120,558)	(79,403,819)
Dividend paid	(18,721,318)	(12,554,801)
Dividend Distribution Tax paid	(2,682,796)	(2,197,338)
NET CASH FLOW USED IN FINANCING ACTIVITIES	48,486,192	104,718,052
NET INCREASE IN CASH AND CASH EQUIVALENTS	24,922,220	36,462,288
OPENING CASH AND CASH EQUIVALENTS	213,578,094	177,115,806
CLOSING CASH AND CASH EQUIVALENTS	238,500,314	213,578,094
Significant accounting policies	1	

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For and on behalf of the **BOARD OF DIRECTORS**

For KAPOOR TANDON & CO.,
Chartered Accountants
Firm Reg. No. 000952C

A.K. AGARWAL
Director (Finance)

MUKHTARUL AMIN
Chairman and Managing Director

RAJESH PARASRAMKA
Partner
M. No. 074192

R.K.AGRAWAL
Company Secretary

Place : Kanpur
Date : 30th May, 2012



1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS.

A) BASIS OF CONSOLIDATION

1. The financial statements of the subsidiary companies considered in the consolidation are drawn upto the same reporting date as of the company i.e. year ended March 31, 2012.
2. The consolidated financial statements have been prepared in accordance with Accounting Standard 21 'Consolidated Financial Statements' (AS 21) issued by the Institute of Chartered Accountants of India (ICAI).

B) PRINCIPLES OF CONSOLIDATION :

The consolidated financial statements (CFS) have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary Companies are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions, except unrealized profit or loss on closing stocks, in accordance with AS 21.
- ii) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets (except fixed assets and share capital) and liabilities are converted at the rates prevailing at the end of the year.
- iii) Exchange differences arising on consolidation is recognized in the Profit and Loss account.
- iv) Investments in 100% foreign subsidiaries have been eliminated with the corresponding Share Capital of the subsidiary company.
- v) In case of associates, where the company directly or indirectly through subsidiaries holds more than 20% of equity, investments are accounted for using equity method except where the associate operates under severe long term restrictions that significantly impair its ability to transfer funds to the parent Company, in accordance with the AS 23 'Accounting for Investments in Associates in Consolidated Financial Statements' issued by ICAI.
- vi) The difference between the cost of investment in the associates, over the net assets of the Associates is recognized in the financial statements as goodwill or capital reserve, as the case may be.
- vii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are prescribed in the same manner as the Company's separate financial statements.
- viii) In the case of associate - Unnao Tanneries Pollution Control Co., registered under Section 25 of the Companies Act, 1956, the investment has been stated at cost of acquisition as the associate operates under severe long term restrictions to transfer funds to the investor.

C) OTHER SIGNIFICANT ACCOUNTING POLICIES:

These are set out in the notes to accounts under 'Statement of Accounting Policies' of the financial statements of respective companies.

D) NOTES :

The subsidiaries (which along with Superhouse Ltd., the parent company, constitute the Group) considered in the preparation of these consolidated financial statements are:

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest
1. Superhouse (U.K.) Ltd.	United Kingdom	100%
2. Superhouse (USA) International Inc.	USA	100%
3. Superhouse Middle East FZC	Azman (UAE)	100%
4. Briggs Industrial Footwear Ltd.	United Kingdom	100%



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	As at 31st March, 2012 (Rupees)	As at 31st March, 2011 (Rupees)
2. SHARE CAPITAL		
Authorised		
15,000,000 Equity Shares of Rs.10/- each	<u>150,000,000</u>	<u>150,000,000</u>
Issued, Subscribed and fully paid up		
11,025,000 Equity Shares of Rs.10/- each fully paid up	<u>110,250,000</u>	<u>110,250,000</u>
Add: 3,947,718 Equity shares forfeited	<u>3,947,718</u>	<u>3,947,718</u>
Total	<u><u>114,197,718</u></u>	<u><u>114,197,718</u></u>

2.1 Reconciliation of the shares outstanding at the beginning and at the end of the year:

Equity shares	As at 31st March 2012		As at 31st March 2011	
	No. of Shares	(Rupees)	No. of Shares	(Rupees)
At the beginning of the year	11,025,000	110,250,000	11,025,000	110,250,000
Changes during the year	-	-	-	-
Outstanding at the end of the year	<u>11,025,000</u>	<u>110,250,000</u>	<u>11,025,000</u>	<u>110,250,000</u>

2.2 Term/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.3 Bonus Shares/Shares for consideration other than cash issued & Buy Back of shares during preceding five years: NIL

2.4 Shares held by holding/ultimate holding company and/or their subsidiaries/associates: NIL

2.5 Details of shareholders holding more than 5% shares in the company

Name of the Share Holder	As at 31st March 2012		As at 31st March 2011	
	No. of Shares	% held	No. of Shares	% held
Mr. Mukhtarul Amin	1,303,106	11.82%	1,302,906	11.82%
Steven Construction Limited	1,325,719	12.02%	1,325,719	12.02%



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	As at 31st March, 2012 (Rupees)	As at 31st March, 2011 (Rupees)
3. RESERVES AND SURPLUS		
Capital Reserves		
Balance as per last financial statements	101,098,825	101,098,825
Add: On acquisition of a Subsidiary	9,125,973	-
Add: Share Warrant Money forfeited during the year	1,446,746	-
	111,671,544	101,098,825
Securities Premium Reserve		
Balance as per last financial statements	178,721,597	178,721,597
Revaluation Reserve		
Balance as per last financial statements	62,237,226	69,004,171
Less: Amount transferred to the profit and loss statement as reduction from depreciation	10,422,646	6,766,945
	51,814,580	62,237,226
General Reserves		
Balance as per last financial statements	400,000,000	300,000,000
Add : From Profit and Loss Account	100,000,000	100,000,000
	500,000,000	400,000,000
Surplus in the Statement of profit and loss		
Balance brought forward	498,735,786	437,150,606
Profit for the year	244,231,985	178,956,821
Share of Profits of Associates	4,172,127	2,172,340
	747,139,898	618,279,767
Less: Appropriations		
Proposed final dividend on equity share	18,721,318	16,861,185
Dividend Distribution Tax	2,682,796	2,682,796
Transfer to General Reserve	100,000,000	100,000,000
	625,735,784	498,735,786
TOTAL	1,467,943,505	1,240,793,434
4. LONG TERM BOROWINGS		
Secured		
Term Loans		
Indian rupee loan from bank(s)	150,072,625	125,791,686
Foreign currency loan from bank(s)	165,844,147	144,166,302
TOTAL	315,916,772	269,957,988

4.1 Indian rupee & foreign currency loans from bank(s) are primarily secured by equitable mortgage/hypothecation of specific fixed assets. Also secured collaterally by equitable mortgage of company's specific land and building. Further secured by personal guarantee of promoter director(s) of the company. ECB carries a non disposable undertaking of the Shares of the acquired WOS.

4.2 These Loans are repayable over a period upto 6 years.

4.3 Continuing default in respect of principal and or interest

Nil

Nil



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	As at 31st March, 2012 (Rupees)	As at 31st March, 2011 (Rupees)
5. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability		
<i>on account of</i>		
Depreciation	118,690,302	112,718,000
Gross deferred tax liability	118,690,302	112,718,000
Deferred Tax Assets		
<i>on account of</i>		
Provision for doubtful debts	886,595	610,000
Provision for Gratuity	8,272,512	3,825,000
Other Timing Differences	5,857,358	6,333,000
Gross deferred tax assets	15,016,465	10,768,000
Net Deferred Tax Liability @	103,673,837	101,950,000
@ Deferred Tax Assets and Deferred Tax Liabilities have been set off in accordance with clause 29 of AS 22.		
6. SHORT TERM BORROWING		
Secured		
Working Capital Loans		
Indian rupee loan from bank(s)	743,426,295	716,286,033
Foreign currency loan from bank(s)	45,689,791	56,128,704
TOTAL	789,116,086	772,414,737
6.1 Working Capital Loans are primarily secured by hypothecation of present and future stock of raw materials, stock in process, finished goods, stores and spares, book debts, outstanding monies, receivable claims, bills and materials in transit. Also secured collaterally by equitable mortgage of company's specific factory land and building.		
7. TRADE PAYABLES		
Sundry Creditors (refer Note 7.1)	906,566,553	835,608,883
TOTAL	906,566,553	835,608,883
7.1 The company has requested confirmation from Suppliers regarding their registration (filling of Memorandum) under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). According to the information available with the company there was no amount (principal and/or interest) due to any micro/small enterprises (SME as defined in the Act) as at the end of the year. There is no delay in payment to SME during the year. No interest was paid/payable on account of delay in payment to SME during the year in terms of Section 16 of the Act.		
8. OTHER CURRENT LIABILITIES		
Current maturity of long term borrowings	250,579,267	137,354,509
Interest accrued but not due on borrowings	57,985	20,827
Interest accrued and due on borrowings	5,648,973	3,661,208
Book overdraft with banks	70,003,131	6779,687
Advance from Customers	41,075,783	28,712,082
Unpaid dividend (refer Note 8.1)	8,742,499	6,107,835
Other Liabilities	200,638,015	163,256,975
TOTAL	576,745,653	345,893,123



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	<u>As at 31st March, 2012</u> (Rupees)	<u>As at 31st March, 2011</u> (Rupees)
8.1 There are no amounts due for payment to Investor Education & Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.		
9. SHORT TERM PROVISIONS		
Provision for Tax	315,627,000	221,750,000
Less: Advance Tax	<u>287,599,707</u>	<u>193,363,185</u>
	28,027,293	28,386,815
Provision for Gratuity	8,731,542	12,284,181
Provision for Leave Encashment	5,857,358	5,071,457
Proposed Dividend	16,537,500	16,861,185
Provision for Dividend Distribution Tax	2,682,796	2,682,796
Provision for Wealth Tax	260,000	190,000
TOTAL	<u>62,096,489</u>	<u>65,476,434</u>



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

10. FIXED ASSETS

(Rupees)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION						NET BLOCK		
	AS AT 01.04.2011	ADDITIONS	ON ACQUISITION	SALES/ADJ.	AS AT 31.03.2012	UP TO 31.03.2011	FOR THE YEAR	ON ACQUISITION	ON REVALUATION	ADJ.	UP TO 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
Land leasehold	100,992,898	28,614,748	-	-	127,607,646	10,337,928	792,069	-	220,061	-	11,350,058	116,257,588	90,654,970
Land Freehold	10,834,994	899,280	-	6,433,145	5,301,129	-	-	-	-	-	-	5,301,129	10,834,994
Building :													
Factory	502,887,799	160,785,782	-	-	663,673,581	129,956,420	16,502,398	-	2,140,371	-	148,599,189	515,074,392	372,931,379
Non-Factory	103,120,273	1,432,471	-	3,735,597	100,817,147	5,940,264	1,370,061	-	-	-	7,310,325	93,506,822	97,180,009
Plant and Machinery	1,163,160,302	71,339,222	32,814,826	9,070,186	1,258,244,164	563,707,142	65,811,318	27,545,666	4,326,617	4,108,196	657,282,547	600,961,617	599,453,160
Furniture & Fittings	65,402,522	7,431,841	1,982,678	94,315	74,722,726	36,175,788	4,230,749	1,761,853	-	38,941	42,129,449	32,593,277	29,226,734
Vehicles	74,412,336	28,245,434	1,929,954	7,812,105	96,775,619	25,834,545	8,347,252	1,404,577	-	4,106,447	31,479,927	65,295,692	48,577,791
Computer	29,612,972	2,284,262	-	-	31,897,234	23,219,180	2,428,173	-	-	-	25,647,353	6,249,881	6,393,792
TOTAL	2,050,424,096	299,033,040	36,727,458	27,145,348	2,353,039,246	795,171,267	99,482,020	30,712,096	6,687,049	8,253,584	923,798,848	1,435,240,398	1,255,252,829
PREVIOUS YEAR	1,815,002,857	248,902,247	-	13,481,008	2,050,424,096	702,704,112	92,682,394	-	6,766,945	6,982,184	795,171,267	1,255,252,829	

10.1 Building and Plant and Machinery include Gross Block Rs. 1,79,88,995 (Rs. 1,79,88,995) and Rs. 10,07,184 (Rs. 10,07,184) respectively and Net block Rs. 1,51,31,480 (Rs. 1,54,24,701) and Rs. 6,89,624 (Rs. 7,23,264) respectively in respect of expenditure incurred on capital assets, ownership whereof does not vest with the company.

10.2 Certain Fixed Assets of the Company were revalued by the Approved Valuer, on the basis of fair market value as on 31.12.1994. Accordingly value of Fixed Assets of the Company was increased by Rs. 15,59,29,935 (Leasehold Land Rs. 3,09,83,028, Factory Building Rs. 6,40,82,953 and Plant and Machinery Rs. 6,08,63,954) and the corresponding amount was credited to the Revaluation Reserve.

10.3 Fixed Assets given on operating Lease

(Rupees)

	Building Factory		Plant & Equipments	
	2011-12	2010-11	2011-12	2010-11
Gross carrying amount	5,101,357	5,101,357	28,124,302	28,124,302
Accumulated Depreciation	1,973,709	1,803,324	22,025,052	19,920,819
Depreciation for the year	170,385	170,385	2,104,233	2,104,233



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	As at 31st March, 2012 (Rupees)	As at 31st March, 2011 (Rupees)
11. NON CURRENT INVESTMENTS <i>(Long Term Investments)</i>		
Trade (valued at cost unless stated otherwise)		
EQUITY SHARES - UNQUOTED		
A. INVESTMENT IN ASSOCIATES		
i. Steven Construction Limited		
16,00,000 Equity Shares of Rs.10/- each fully paid	16,000,000	16,000,000
5,00,000 Equity Shares of Rs.10/- each, Paid up Rs.2/- each	1,000,000	1,000,000
	17,000,000	17,000,000
Add: Share of post acquisition profit	1,995,712	1,459,736
	18,995,712	18,459,736
ii. Unnao Tanneries Pollution Control Company		
153,080 Equity Shares of Rs.10/- each fully paid	1,530,800	1,530,800
iii. Tritan Leather Works (P) Limited		
764,300 Equity Shares of Rs.10/- each fully paid	7,643,000	7,643,000
Add: Share of post acquisition profit	3,943,321	2,284,334
	11,586,321	9,927,334
iv. Knowledgehouse Ltd.		
860,000 (Nil) Equity Shares of Rs.10/- each fully paid	8,600,000	-
v. Amin International Ltd.		
304,900 Equity Shares of Rs.10/- each fully paid	3,049,000	3,049,000
Add: Share of post acquisition profit	4,056,116	2,078,952
	7,105,116	5,127,952
B. OTHERS		
i. Industrial Infrastructure Services India.		
185,120 Equity Shares of Rs.10/- each fully paid	1,851,200	1,851,200
ii. Kanpur Unnao Leather Cluster Dev. Co. Ltd.		
1,00,000 Equity Shares of Rs. 10/- each fully paid	1,000,000	1,000,000
	2,851,200	2,851,200
Total (A)	50,669,149	37,897,022
Non Trade (valued at cost unless stated otherwise)		
EQUITY SHARES - QUOTED		
i. Super Tannery Limited		
3000 Equity Shares of Rs. 1/- each fully paid.	6,500	6,500
ii. Mideast Integrated Steels Limited (Delisted)		
20,000 Equity Shares of Rs.10/- each fully paid	400,000	400,000
iii. Somani Iron & Steels Limited (Delisted)		
8,700 Equity Shares of Rs.10/- each fully paid	261,000	261,000
	667,500	667,500
Less: Provision for Diminution in value	661,000	661,000
Total (B)	6,500	6,500
TOTAL (A+B)	50,675,649	37,903,522
Book value of Quoted Investments (Net of Provisions)	6,500	6,500
Book value of Unquoted Investments	50,669,149	37,897,022
Market value of Quoted Investments	5,850	8,040
12. LONG TERM LOANS & ADVANCES (unsecured considered good)		
Capital Advances	36,022,518	30,505,207
Security Deposit	13,207,761	11,160,466
Share Application Money	1,701,350	-
TOTAL	50,931,629	41,665,673



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	As at 31st March, 2012 (Rupees)	As at 31st March, 2011 (Rupees)
13. OTHER NON CURRENT ASSETS (unsecured considered good)		
Foreign Currency Monetary Item Translation Difference Account (refer Note No. 13.1)	10,092,857	-
TOTAL	10,092,857	-
13.1 The Company (Accounting Standards) Second Amendment Rules, 2011 has amended the provisions of AS-11 relating to "The effect of the Change in Foreign Exchange Rates" vide notification dated December 29, 2011. In terms of the amendments, the company has opted to carry over the Long Term Monetary Loss and amortise the same over balance period of such long term asset/liability.		
14. INVENTORIES (valued at lower of cost and net realisable value)		
Raw Materials	192,943,361	208,162,595
Work in Progress (refer Note 30)	404,210,784	414,725,179
Finished Goods (refer Note 29) [Including stock at port Rs. 7,76,76,790 (Rs. 8,35,21,980)]	617,523,450	300,656,657
Chemicals, Components and Spare Parts	165,961,355	162,366,368
Import Entitlements/Licenses in hand	3,904,158	10,946,528
TOTAL	1,384,543,108	1,096,857,327
Finished Goods include Stock in Trade, as both are stocked together		
15. TRADE RECEIVABLES (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	62,961,707	87,544,437
Considered Doubtful	788,858	1,825,812
Less: Provision for Doubtful Receivables	788,858	1,825,812
Others		
Considered Good	849,558,212	729,579,305
TOTAL	912,519,919	817,123,742
16. CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on Hand (as Certified by the Management)	16,845,121	8,857,193
Cheques in hand/Remittance in Transit	-	2,022,408
Balances with Banks on:		
Current Accounts	96,174,298	67,716,251
Foreign Currency Account (EEFC A/c)	3,928,512	1,335,756
	116,947,931	79,931,608
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	34,165,000	38,332,855
Margin Money Deposit Accounts	78,644,885	89,205,796
Unclaimed Dividend Account	8,742,498	6,107,835
	121,552,383	133,646,486
TOTAL	238,500,314	213,578,094
17. SHORT TERM LOANS & ADVANCES (Unsecured considered good)		
Advance recoverable in cash or kind or for value to be received	92,254,563	96,824,692
TOTAL	92,254,563	96,824,692
18. OTHER CURRENT ASSETS (Unsecured considered good)		
Interest accrued on fixed deposits	10,888,613	6,663,510
Export Incentive Receivable	61,260,889	74,881,919
VAT/Sales Tax Receivable	13,903,086	12,358,712
Other Claim Receivable	206,061	6,792,020
TOTAL	86,258,649	100,696,161



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	2011-2012 (Rupees)	2010-2011 (Rupees)
19. REVENUE FROM OPERATIONS		
Revenue from operations		
Sale of products (refer Note 19.1)		
Sales (Export)	4,447,014,570	3,462,692,976
Sales (Indigenous)	592,117,746	746,459,237
	5,039,132,316	4,209,152,213
Other operating revenue		
Export Incentives (refer Note 19.2)	334,483,338	337,057,108
Revenue from operations (gross)	5,373,615,654	4,546,209,321
19.1 Details of product sold		
Leather and Leather Products	4,362,202,754	3,639,902,352
Textile Products	643,515,051	557,091,449
Animal Feed	33,414,511	12,158,412
TOTAL	5,039,132,316	4,209,152,213
19.2 Details of other operating revenue		
Duty Draw Back Received	198,211,941	215,567,655
Licences/Entitlements	136,271,397	121,489,453
TOTAL	334,483,338	337,057,108
20. OTHER INCOME		
Interest income		
from Fixed Deposit with Banks	8,896,500	6,511,450
from Others	522,318	826,609
Dividend income		
from trade investments	341,325	377,925
Profit on Sale of Fixed Assets	1,154,076	2,935,245
Miscellaneous Income	36,535,144	30,312,150
Rent	2,565,400	2,253,300
TOTAL	50,014,763	43,216,679
21. COST OF MATERIAL CONSUMED		
<u>Raw Material consumed</u>		
Finished Leather	619,379,389	480,779,707
Raw Hide/Skin	463,391,889	402,567,921
Fabric	306,569,173	289,448,301
Sole	145,837,311	168,809,733
PU / PVC Compound	142,314,703	166,418,872
Others	126,643,474	145,543,575
Raw Material consumed	1,804,135,939	1,653,568,109
Consumption of Chemicals, Components and Spare Parts	753,724,289	812,477,911
Consumption of Packing Material	120,210,368	135,121,517
Cost of material consumed	2,678,070,596	2,601,167,537



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	2011-2012 (Rupees)	2010-2011 (Rupees)
22. PURCHASE OF STOCK-IN-TRADE		
Leather and Leather Products	776,485,777	292,309,461
TOTAL	<u>776,485,777</u>	<u>292,309,461</u>
23. DECREASE/(INCREASE) IN INVENTORIES		
Inventories at the end of the year		
Finished Goods	617,523,450	300,656,657
Work in Progress	404,210,784	414,725,179
TOTAL 'A'	1,021,734,234	715,381,836
Inventories at the begining of the year		
Finished Goods	300,656,656	260,317,017
Work in Progress	414,725,179	321,604,900
	<u>715,381,835</u>	<u>581,921,917</u>
Add : Finished Goods on the date of acquisition	160,634,723	-
TOTAL 'B'	876,016,558	581,921,917
Decrease/(Increase) in Stocks(A-B)	<u>145,717,676</u>	<u>133,459,919</u>
24. EMPLOYEE BENEFITS EXPENSES		
Salary, Wages and Bonus	289,080,423	208,388,977
Contribution to Provident and other funds	23,053,321	17,788,313
Gratuity	3,747,510	7,800,600
Workmen and Staff Welfare expenses	14,820,576	15,237,238
TOTAL	<u>330,701,830</u>	<u>249,215,128</u>
25. FINANCIAL COST		
Interest on		
- Term Loan	47,971,965	30,576,815
- Others	72,033,300	50,149,156
	120,005,265	80,725,971
Bank Charges	31,325,288	25,579,171
Exchange Difference (net)	25,131,559	(2,178,782)
	176,462,112	104,126,360
Less: Interest capitalised	4,884,707	1,322,152
TOTAL	<u>171,577,405</u>	<u>102,804,208</u>
25.1 Exchange fluctuation includes Rs. 16,82,143 being amortisation of Foreign Currency Monetary Item Translation Difference Account in terms of provisions contained in AS-11(Revised).		
26. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of tangible assets	106,169,069	99,449,339
Less: recoupment from revaluation reserve	6,687,049	6,766,945
TOTAL	<u>99,482,020</u>	<u>92,682,394</u>



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	<u>2011-2012</u> (Rupees)	<u>2010-2011</u> (Rupees)
27. OTHER EXPENSES		
Manufacturing Expenses		
Consumable Stores	68,147,090	57,104,093
Job Work/Processing Charges	396,162,198	426,291,046
Power and Fuel	107,380,166	108,317,380
Effluent Treatment Expenses	4,525,820	6,008,627
Repairs and Maintenance		
- Building	6,518,565	6,605,260
- Machinery	25,332,160	30,093,999
Selling and Distribution Expenses		
Freight, Handling and Other Sales and Distribution Expenses	196,133,677	201,208,945
Commission on Sale	142,971,259	124,222,734
Advertisement and Publicity	6,194,446	3,872,779
Bad Debts - Provision/write off	7,932,795	8,493,659
Establishment Expenses		
Rent	16,027,817	12,140,837
Rates and Taxes	8,871,872	3,768,841
Insurance	13,085,921	8,790,414
Communication cost	16,675,158	15,285,679
Travelling and Conveyance	28,005,100	21,657,196
Vehicle Running and Maintenance	22,255,094	15,602,394
Repairs and Maintenance - Others	18,262,853	14,044,939
Printing and Stationery	7,357,667	5,263,376
Legal and Professional Charges	9,434,303	7,880,144
Auditor's Remuneration (refer Note No. 27.1)	1,640,886	1,398,969
Cost Audit fee	49,120	33,090
Miscellaneous Expenses	23,897,421	15,713,991
Research & Development Expenses	3,317,041	2,220,199
Charity and Donation	1,572,491	3,428,981
Loss on Sale of Fixed Assets	3,615,664	1,745,590
Losses of Subsidiary written off (refer Note no. 27.2)	1,119,244	-
Diminution in value of Quoted Investments	-	23,115
TOTAL	1,136,485,828	1,101,216,277
27.1 Payment to auditor		
As Auditor:		
Audit Fees	1,346,770	899,684
Tax audit Fee	82,725	82,725
In other capacity:		
Taxation & other services	211,391	416,560
TOTAL	1,640,886	1,398,969

27.2 Superhouse RO - SRL, a wholly owned subsidiary (WOS) of the company in Romania has been wound up during the year vide Order dated 14.03.2012. Consequently, the Investment of the company in form of Shares, Share Application Money & Advances aggregating to Rs. 11,19,244 has been written off during the year.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	2011-2012 (Rupees)	2010-2011 (Rupees)
28. Earning per share (EPS)		
Profit after tax	244,231,985	178,956,821
Number of equity shares for the purpose of calculation of EPS	11,025,000	11,025,000
Nominal value of equity shares (Rs.)	10.00	10.00
EPS- Basic and diluted (Rs.)	22.15	16.23
29. Closing Inventory of Finished Goods		
Leather and Leather Products	596,704,525	278,300,666
Textile Products	16,373,272	20,113,473
Animal Feed	4,445,653	2,242,518
TOTAL	617,523,450	300,656,657
30. Closing Inventory of Work-in-Progress		
Leather and Leather Products	367,143,672	377,508,410
Textile Products	37,067,112	37,216,769
TOTAL	404,210,784	414,725,179

31. Superhouse (UK) Ltd. is following the written down value (WDV) method of depreciation as against the straight line method is being followed by the parent company and other subsidiaries. Further to aforesaid Briggs Industrial Footwear Ltd is following WDV method of depreciation for all the except for equipments. The relevant figures are as under:

Description of Item	As per CFS of the group		As per the Balance Sheet of Superhouse (UK) Ltd. included in CFS		As per the Balance Sheet of Briggs Industrial Footwear Ltd. included in CFS	
	As at 31.03.2012		As at 31.03.2012		As at 31.03.2012	
	Gross Block	Depreciation for the year	Gross Block	Depreciation for the year	Gross Block	Depreciation for the year
Fixed Assets @ (including Revaluation)	23590.39	1301.94	272.75	7.08	183.20	11.47

@ Fixed assets excluding Equipments in respect of Briggs Industrial Footwear Ltd.

32. The group has given effect to AS 23 "Accounting for Investment in Associates in consolidated financial statements" on the basis of latest available financial statements of associates and Capital Reserve/Goodwill has been recognized accordingly.

33. **Primary Segment information as per AS-17 "SEGMENT REPORTING " issued by ICAI :**

A) BUSINESS SEGMENTS :

Particulars	Leather & Leather Products		Textile Garments		Others		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Segment Revenue	4,663,062,156	3,945,197,578	654,517,356	575,336,974	33,728,546	12,277,692	5,351,308,058	4,532,812,244
Intra Segment Revenue	-	-	-	-	-	-	-	-
Total Revenue	4,663,062,156	3,945,197,578	654,517,356	575,336,974	33,728,546	12,277,692	5,351,308,058	4,532,812,244
Eliminations	-	-	-	-	-	-	-	-
Net Revenue	4,663,062,156	3,945,197,578	654,517,356	575,336,974	33,728,546	12,277,692	5,351,308,058	4,532,812,244
Profit Before Tax & Finance Cost	468,870,811	355,974,578	54,977,344	22,819,905	1,966,291	(5,896,438)	525,814,446	372,898,045
Finance Cost	(147,548,740)	(91,840,250)	(20,916,322)	(10,426,382)	(3,112,343)	(537,576)	(171,577,405)	(102,804,208)
Profit Before Tax	321,322,071	264,134,328	34,061,022	12,393,523	(1,146,052)	(6,434,014)	354,237,041	270,093,837
Segment Assets	3,840,845,158	3,305,424,245	467,013,039	427,908,544	28,398,416	14,406,274	4,336,256,613	3,747,739,063
Segment Liabilities	2,426,166,526	2,131,678,149	297,849,274	244,492,447	30,099,590	15,130,569	2,754,115,390	2,391,301,165
Capital Expenditure	257,092,129	155,943,637	70,961,888	83,690,150	626,297	29,836	328,680,314	239,663,623
Depreciation	89,777,227	83,341,949	9,204,509	8,935,550	500,284	404,895	99,482,020	92,682,394



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

B) GEOGRAPHICAL SEGMENTS :

Particulars	Within India		Outside India		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
External	828,924,166	807,595,778	4,522,383,892	3,725,216,466	5,351,308,058	4,532,812,244
Inter Segments	-	-	-	-	-	-
Total Revenue	828,924,166	807,595,778	4,522,383,892	3,725,216,466	5,351,308,058	4,532,812,244
Eliminations	-	-	-	-	-	-
Net Revenue	828,924,166	807,595,778	4,522,383,892	3,725,216,466	5,351,308,058	4,532,812,244
Carring amount of Segment Assets	3,983,625,550	3,686,634,323	352,631,063	61,104,740	4,336,256,613	3,747,739,063
Segment Liabilities	2,508,340,942	2,377,029,797	245,774,448	14,271,368	2,754,115,390	2,391,301,165
Capital Expenditure	289,020,360	239,142,490	39,659,954	521,133	328,680,314	239,663,623
Depreciation on Fixed Assets	96,718,573	91,699,447	2,763,447	982,947	99,482,020	92,682,394

34. The related party disclosure in accordance with AS 18 'Related Party Disclosures' issued by ICAI, is given below:

A. Relationship

i. Joint Ventures & Associates :

Joint Venture: Nil

Associates:

- a) Unnao Tanneries Pollution Control Company
(A company registered under Section 25 of the Companies Act, 1956)
- b) Tritan Leather Works Pvt. Ltd.
- c) M/s Prime International (a partnership firm)
- d) M/s Shoe House (a partnership firm)
- e) Steven Construction Ltd.
- f) Chowdhary Overseas Ltd.
- g) Amin International Ltd.
- h) Aleena International
- i) Rojus Enterprises Ltd.
- j) Moderiba Hygene Solution Ltd.
- k) Superhouse Accessories Ltd.
- l) Creemos International Ltd.
- m) Knowledgehouse Ltd.

ii. Key Management Personnel & Relatives:

- a) Mr. Mukhtarul Amin – Chairman & Managing Director
- b) Mr. Zafarul Amin – Jt. Managing Director (Son of Mr. Mukhtarul Amin)
- c) Mr. Vinay Sanan – Executive Director
- d) Mr. A.K. Agarwal – Director (Finance)
- e) Mr. Mohd. Shadab – Director
- f) Mrs. Shahina Mukhtar – Director (Wife of Mr. Mukhtarul Amin)
- g) Mr. Deepak Sanan (Son of Mr. Vinay Sanan)



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

B. The following transactions were carried out with related parties in the ordinary course of business during the year:
(Rupees)

Particulars	2011-12	2010-11
Purchases of Materials/Finished Goods	124,848,464	14,37,16,366
Sale of Materials/Finished Goods	118,237,349	10,00,46,465
Purchase of Fixed Assets	1,405,905	3,800
Sale of Fixed Assets	659,890	2,98,388
Services rendered/other receipts	2,808,024	3,75,013
Services availed	27,829,729	3,65,98,926
Rent received	2,956,445	22,25,437
Balances at the end of the year:		
Receivables (including Advances)	34,372,892	5,70,18,664
Payables	13,711,721	37,913,854
Investments	36,292,000	2,76,92,000
Preferential warrant money	-	14,46,746

Key Management Personnel and relatives : (Rupees)

Particulars	2011-12	2010-11
Rent paid	1,530,000	15,15,000
Remuneration to whole time Directors @	32,295,798	28,847,129
Remuneration Payable (including Provisions)	15,080,244	12,346,120

35. Expenditure on Research and Development (Rupees)

Particulars	2011-12	2010-11
Capital Expenditure	NIL	NIL
Revenue Expenditure	33,17,041	22,20,199

36. Contingent liabilities (Rupees)

	2011-12	2010-11
i. Estimated value of contracts remaining to be executed on capital account (net of advances)	28,957,550	3,85,94,000
ii. Claim against the company not acknowledged as debt	2,563,214	55,24,624
Contingent Liabilities in respect of:		
i. Guarantees issued by the Bank	16,352,506	1,41,99,488
ii. Corporate Guarantee(s) to bank(s) against credit facilities extended to wholly owned subsidiaries in U.K and UAE	295,422,620	7,80,16,360
iii. Letter of Credit opened and outstanding	215,111,043	15,26,42,852
iv. Duty on Export obligation pending	52,234,566	13,48,33,212
v. Electricity demand pending litigation	1,583,688	15,83,688
vi. Forward Exchange Contracts	424,670,505	21,85,04,057
vii. Uncalled Liability on Shares partly paid	4,000,000	40,00,000

viii. The detail of disputed dues (net of amounts paid) as per the clause ix(b) of Section 227 (4A) of the Companies Act, 1956 is as follows:



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

Forum where dispute is pending	Period to which	2011-12	2010-11
Income Tax:			
CIT Appeals, Kanpur	A.Y. 2002-03	210,378	2,10,378
ITAT Appeals, Allahabad.	A.Y. 2003-04	2,069,740	20,69,740
CIT Appeals, Kanpur	A.Y. 2007-08	Nil	82,72,270
CIT Appeals, Kanpur	A.Y. 2008-09	7,726,990	Nil
CIT Appeals, Kanpur	A.Y. 2009-10	2,122,820	Nil
Entry Tax:			
Sales Tax Appellate Tribunal	1999-2000	860,729	8,60,729
Joint Commissioner of Trade Tax, Kanpur	2005-2006	586,500	Nil
UP Trade Tax and Central Sales Tax:			
Deputy Commissioner of Trade Tax, Kanpur	1996-1997	Nil	1,19,738
	1997-1998	389,872	3,89,872
	2002-2003	26,503	26,503
	2008-2009	2,745,913	Nil
Joint Commissioner of Trade Tax, Kanpur	2001-2002	151,473	151,473
	2005-2006	28,000	Nil
	2007-2008	165,805	Nil

Above claims are likely to be decided infavour of the company, hence not provided for.

37. The Financial Statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to 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 to conform to this year's classification. The adoption of revised Schedule VI for the previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For KAPOOR TANDON & CO.,
Chartered Accountants
Firm Reg. No. 000952C

For and on behalf of the **BOARD OF DIRECTORS**

A.K. AGARWAL
Director (Finance)

MUKHTARUL AMIN
Chairman and Managing Director

RAJESH PARASRAMKA
Partner
M. No. 074192

R.K.AGRAWAL
Company Secretary

Place : Kanpur
Date : 30th May, 2012



ELECTRONIC CLEARING SERVICE

ECS Mandate Form for Payment of dividend on equity shares

1.	First Shareholder's Name	:										
2.	Shareholder's Folio No./Client ID No.	:										
3.	Particulars of Bank Account	:										
	A. Bank Name	:										
	B. Branch Name	:										
	C. Account No. (as appearing on the cheque book)	:										
	D. Account Type	:	Saving <input type="checkbox"/> Current <input type="checkbox"/> Cash Credit <input type="checkbox"/>									
	E. Ledger Folio No. of the Bank A/c (If appearing on the cheque book)	:										
	F. 9 Digit Code No. of the Branch appearing on MICR cheque issued by the bank.	:	<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table> <p>Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the bank name, branch name and code number.</p>									
	G. Email ID	:										

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 would not hold the company responsible. I further undertake to inform the company any change in my bank/branch and account number.

Place :
Date

Signature of the First Shareholder

PROXY FORM

Superhouse Limited

Regd. Office: 150 Feet Road, Jajmau, Kanpur-208010.

I.....son of.....in the district of.....being a member of the above named company, hereby appoint.....in the district of.....or failing him.....in the district of.....as my proxy to vote for me on my behalf at the Annual General Meeting of the company to be held on Saturday the 29th September, 2012 and at 10.00 A M. or at any adjournment thereof.

Folios/Demat A/c No.

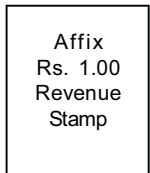
No. of shares.

Total :

Signature

Place:
Date:

Name :



OUR CONTRIBUTION TO THE PATHWAY OF EDUCATION

DPS, Bareilly



DPS, Eldeco,
Lucknow



Allenhouse
Public School, Kanpur



DPS, Gomti Nagar,
Lucknow



DPS, Indiranagar,
Lucknow



DPS, Kalyanpur,
Kanpur



DPS, Jankipuram,
Lucknow



Superhouse Limited believes in total commitment to society. The promoters of the company run various educational institutions which follow the motto of "Commitment for a better future". This organization has taken up number of social causes in the field of Education.

Superhouse Group has a long term vision to promote and enhance level of education. Towards fulfilling the above mission, the Group has established various DPS (Delhi Public Schools) in different parts of Uttar Pradesh like Kanpur, Lucknow, Bareilly, and Saharanpur. Now the Group has planned to open more schools in other cities like Agra, Ghaziabad and Lucknow.

To fulfill the educational need of children of below poverty line, an institution known as DPS Shiksha Niketan is in existence in Lucknow where free education is being given to children upto class V.

The Superhouse Group has established Allenhouse Institute of Technology in the year 2009 to foster engineering education in the private sector. This Institute has made its specific identity in the short period of Three years. The Institute is well equipped with modern infrastructure and state-of-the art laboratories and is guided by renowned professors of IITs.

Allenhouse Institute
of Technology



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Cooper

Fresh in India!

Launching Fashion Footwear from India's No.1 Leather Manufacturer

**MEN'S, WOMEN'S &
KIDS' RANGE**

- Leather Shoes
- Leather Sandals
- School Shoes
- Jogging Shoes
- PU Chappals
- Sandals



LEGACY OF
EXCELLENCE