

SUPER TANNERY LIMITED



**TWENTY FIFTH ANNUAL REPORT
2008-09**

SUPER TANNERY LIMITED

BOARD OF DIRECTORS

Iftikharul Amin, *Managing Director*
Iqbal Ahsan, *Joint Managing Director*
Veqarul Amin, *Joint Managing Director*
Imran Siddiqui, *Whole-time Director*
Arshad Khan, *Whole-time Director*
Mohd. Imran, *Whole-time Director*
Nafees Ahmad
Mohsin Sharif
Kumud Behari Seth
Dr. Subhash Awasthi
Dr. Mohd. Izhar
P. K. Sinha

G. M. (FINANCE) & CFO

R. S. Singh

COMPANY SECRETARY

R. K. AWASTHI

AUDITORS

M/S. KAPOOR TANDON & CO.,
Chartered Accountants
KANPUR

BANKER

STATE BANK OF INDIA
OVERSEAS BRANCH, KANPUR

REGISTERED OFFICE

187/170, JAJMAU ROAD, KANPUR-208 010
Phones : (0512) 3935747, 3935748, 3935749
FAX : 0512-2460792
E-Mail : supertannery@satyam.net.in
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25th Annual General Meeting to be held on
Wednesday, the 30th September, 2009 at
the **Registered Office** of the Company
at **8.00 a.m.**

For SUPER TANNERY LIMITED



R. K. Awasthi
R. K. AWASTHI
COMPANY SECRETARY

SUPER TANNERY LIMITED

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of Super Tannery Limited will be held on Wednesday, the 30th September, 2009 at 8.00 a.m. at 187/170, Jajmau Road, Kanpur - 208 010, the Regd. Office of the Company, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended on 31st March, 2009, the Balance Sheet as on that date and Report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Imran Siddiqui, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Kumud Behari Seth, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Nafees Ahmad, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :
"RESOLVED THAT pursuant to the provisions of Sections 16 and 94 of the Companies Act, 1956, and other applicable provisions, if any, of the said Act, the Authorised Share, Capital of the Company be increased from Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 2/- [Rupees Two] each to Rs. 11,00,00,000/- (Rupees eleven Crores) divided into 5,50,00,000 (five Crores fifty lacs) Equity Shares of Rs. 2/- [Rupees Two] each and Clause V of the Memorandum of Association of the Company be altered/amended accordingly."
7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956, and other applicable provisions, if any, of the said Act, Article No. 3 of the Articles of Association of the Company be and is hereby substituted by the following Article :
The Authorised Share Capital of the Company is Rs. 11,00,00,000/- (Rupees eleven Crores) divided into 5,50,00,000 (five Crores fifty lacs) Equity Shares of Rs. 2/- (Rupees Two) each."
8. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT in supersedence of Resolution No. 5 passed at the Extra Ordinary General Meeting of the Company held on 2nd May, 1995 and pursuant to the provisions of Section 293(1) (d) of the Companies Act, 1956, and other applicable provisions, if any, of the said Act, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time all such sums of moneys as they deem requisite for the purpose of business of the Company, notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from the loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not to set any specific purpose, provided however, that the total amount up to which moneys may be borrowed by the Board of Directors shall not exceed the aggregate of the Paid-up Capital and free reserves of the Company by more than the sum of Rs. 80,00,00,000/- (Rupees Eighty Crores) at any time."
9. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :
"RESOLVED THAT pursuant to Section 293 (1) (e) of the Companies Act, 1956, consent of the members be and is hereby accorded to the Board of Directors of the Company to donate to charitable and other funds not directly related to the business of the Company or the welfare of its employees up to the extent of Rs. 25.00 lacs (Rupees twenty five lacs only) during the financial year ending 31st March, 2010."
10. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.
"RESOLVED that pursuant to the applicable provisions of the Companies Act, 1956 and Articles of Association of the

Company and such other approvals, permissions and sanctions as may be necessary and subject to such terms conditions, alterations, modifications, changes and variations as may be specified while according such approvals which the Board of Directors of the Company be and is hereby authorized to accept, if it thinks fit, the Company be and is hereby authorised to capitalise upto Rs. 3,59,91,120 out of 'Reserves and Surplus' and transferred to Share Capital Account towards issue and allotment of equity shares not exceeding 1,79,95,560 equity shares of Rs. 2/- each, as bonus shares credited as fully paid up, to the members of company holding equity shares of Rs. 2/- each whose names stand in the register of members of the company on such date (date of closure of transfer books) as the directors may determine, in that behalf in the proportion of one new fully paid-up equity shares of Rs. 2/- each for every two Equity Shares of Rs. 2/- each held as on the date of closure of transfer books and that the bonus shares so issued and allotted be treated for all purposes as an increase of the nominal amount of the Equity Shares Capital of the Company held by each such member/person and not as income and that the said Equity Shares be issued and allotted, inter-alia, on the following terms and conditions.

- a. The new Equity Shares of Rs. 2/- each to be issued and allotted as Bonus Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects and carry the same rights as the then existing Equity Shares of the company, notwithstanding the date or dates of allotment thereof, including entitlement to payment of dividend, if declared, for the financial year in which the same are allotted.
- b. No letters of Allotment shall be issued for the Bonus Shares and the Share Certificates in respect thereof shall be delivered within 3 months from the date of allotment.
- c. The issue and allotment of fully paid-up new Equity Shares as Bonus Shares to the extent that they relate to non-residents shall be subject to approval of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force).

RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, matters and things as may in its sole and absolute discretion, deem necessary expedient, usual or proper and to settle any question, doubt or difficulty that may arise with regard to the issue and allotment of Bonus Shares as aforesaid or any other matter incidental or consequential thereto."

By order of the Board of Directors
R. K. Awasthi
Company Secretary

Date : 04.08.2009

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 AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate Members intending to send their Authorised Representative to attend the Meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Businesses is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 20th September to 30th September 2009 (both days inclusive).
5. Members holding shares in identical order of names in more than one folio are requested to write to the Company, enclosing the Shares Certificate for consolidation of their holding into one folio.
6. Members holding Shares in physical form may write to the RTA for change in their address, if any, under their signature clearly quoting their folio numbers, old address along with the changed address with Pin Code, and Members holding Shares in electronic form may inform any change in address to their Depository Participants.

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7. Members holding Shares in electronic form are requested to provide their Client-ID and DP-ID numbers at the meeting for easy identification.
8. Members desirous of obtaining any information/clarification concerning the Accounts and Operation of the Company are requested to address their queries in writing to the Company Secretary at least seven days before the annual General Meeting, so that the desired information may be made available at the Annual General Meeting, if the Chairman permits to do so.
9. The Shares of the Company are compulsorily tradable in demat form. The equity Shares of the Company have been assigned ISIN INE460D01020. Members are requested to get their Shares dematerialized at the earliest to make them tradable.
10. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends up to the financial year ended 31st March 1995 have transferred to the General Revenue Account of the Central Government. Those members who have so far not claimed their dividends up to the said periods may claim the same by submitting an application in prescribed Form to the Registrar of Companies, Kanpur.

Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C by the companies (Amednment) Act, 1999, the amount of dividend/debenture/fixed deposit remaining unclaimed for a period of seven years is required to be transferred to investor Education and Protection Fund set up by the Central Government.

Accordingly all unclaimed/unpaid dividend upto the financial year 2000-2001 have been transferred to the "Investor Education and Protection Fund".

Dividend unpaid or unclaimed for the Financial Year 2001-02 may be claimed by the shareholders on or before 14th December 2009. Thereafter, such amount shall be transferred to the "Investor Education and Protection Fund". Kindly note that once the unclaimed or unpaid Dividend is transferred to "Investor Education and Protection Fund", no claim shall lie with the company in respect thereof.

11. Pursuant to Section 109A of the Companies Act, 1956 shareholder are entitled to make nomination in respect of share held by them in physical form. Shareholders desirous of making nomination are requested to send their request Form No. 2B to the Registrar and Transfer Agents, M/s. Karvy Computer Share Pvt. Ltd. Hyderabad. Members holding shares in electronic mode are requested to consult/contact with their respective Depository Participant (DP) for availing nomination facility.
12. Members are requested to notify immediately change in their address, PIN code, if any, to company at its registered office by quoting their folio number.
13. Members' proxies are requested to bring attendance slip duly completed for attending the meeting.
14. Brief Resume of the Directors seeking appointment/re-appointment, nature of their expertise in specified field and name of the other companies in which Directorship held as required by Clause 49 of the listing agreement with stock exchanges, are given in the statement on corporate governance published in the Annual Report of the company.

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

ITEM No. 6 & 7 :

The Authorised Share Capital of the Company, at present, is Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 5,00,00,000 [Five Crores] Equity Shares of Rs. 2/- [Rupees Two] each. With the growing expansion of the Company's business it is desirable to increase the Authorised Share Capital of the Company, so as to co-relate with the magnitude of its resources and size of its undertakings, it has, therefore, been proposed to increase the Authorised Share Capital from Rs. 10,00,00,000 (Rupees Ten Crores) divided into 5,00,00,000 [Five Crores] Equity Shares of Rs. 2/- [Rupees Two] each to Rs. 11,00,00,000/- (Rupees eleven Crores) divided into 5,50,00,000 [five Crores fifty lacs] Equity Shares of Rs. 2/- [Rupees Two] each by creation of additional 50,00,000 [fifty lacs] Equity Shares of Rs. 2/- [Rupees Two] each. Consequent upon the increase in Authorised Share Capital, Clause V of Memorandum of Association and Article No. 3 of the Articles of Association of the Company will require alteration so as to reflect the increase in the Share Capital Your Board of Directors, therefore, recommend the resolution under Item No. 6 & 7 for your approval.

None of the Directors of the Company is in any way either directly or indirectly interested or concerned in the resolution.

ITEM No. 8 :

According to provisions of Section 293(1) (d) of the Companies Act, 1956, the Board of Directors of a Company cannot, except with the consent of the Company in general meeting, borrow moneys apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of its paid-up capital and free reserves.

At the Extra Ordinary General Meeting held on 2nd May, 1995, the Company had accorded its consent in pursuance of aforesaid Section to the Directors to borrow money upto a limit of Rs. 50 Crores. Taking into account the further requirements of additional finance for the expansion and diversification programme undertaken by the Company, your Board of Directors consider it necessary and recommend the resolution under Item No. 8 for your approval.

None of the Directors of the Company is in any way either, directly or indirectly concerned or interested in the resolution.

ITEM No. 9 :

It has been the policy of the company to contribute in those charitable funds, which serve the society at large or for the welfare of its employees, whether such charitable institution are directly related or not with the business of the Company, the action of the Board is taken keeping in mind the responsibility that the Company owes to society. Sometimes contribution so made exceed the limit prescribed by the section 293(1)(e) of the Companies Act, 1956. The Board can not do such welfare work, beyond prescribed limit, without the approval of the members. The aggregate of such contribution during the year ending 31.03.2010 is likely to exceed the limit as prescribed by the Act. Therefore, your permission is requested.

The Directors recommend the resolution for approval of members.

None of the Director of the Company in any way whether, directly or indirectly, except as trustee of trust which receive the fund, is interested or concerned in this resolution.

ITEM No. 10 :

In the year 1993, the general public and other corporate investors subscribed the equity shares of Rs. 10/- each at a premium of Rs. 55/- per share. The company since then is continuously paying dividend to its valued shareholders. Besides, the company has already rewarded the valued shareholders by allotting bonus equity shares in the ratio of 1:1 at the record date fixed on 8th December 2008. However, owing to current bearish market situation and in order to create more confidence amongst shareholders and increase more liquidity in the market, the company has decided to again reward the valued shareholders.

Your Directors have, therefore, proposed that a sum not exceeding Rs. 3,59,91,120 be drawn from the 'Reserve and Surplus' of the Company and capitalized and transferred to Share Capital Account towards issue and allotment of Equity Shares not exceeding 1,79,95,560 Equity Shares of Rs. 2/- each as Bonus, Shares as on the Record Date to be specified in this behalf. The Bonus Shares will be issued in the proportion of **ONE** new Equity Share(s) for every **TWO** Equity Share held on the record date, on which transfer books are closed. The said Bonus Shares shall rank pari-passu with the existing Equity Shares of the company already, listed.

The issue of Bonus Shares to those members who are non-resident will require the permission of the Reserve Bank of India under the Foreign Exchange Management Act, 1999. Necessary application will be submitted by the Company to the Reserve Bank of India in due course.

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The Board recommends the Resolution for approval of the shareholders.

None of the Directors of the Company in any way whether, directly or indirectly, except as a shareholder, are interested in this resolution.

By order of the Board of Directors

Place: Kanpur
Date : 04.08. 2009

R. K. Awasthi
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your Company have pleasure in presenting the **25th Annual Report** on the business and operations of the Company together with Audited Financial Statements for the year ended **31st March 2009**:

	Year ended 31.03.2009	(Rs. in lacs)	Year ended 31.03.2008
FINANCIAL RESULTS:			
PROFITS			
Profit before Interest, Depreciation & extra-ordinary items	1661.18		1445.89
Less : Interest	604.03	559.76	
Bad Debts written off	51.49	227.84	
Depreciation	<u>282.53</u>	<u>238.59</u>	<u>1,026.19</u>
Profit before tax	723.13		419.70
Less : Provision for tax			
Current	110.00	98.00	
Deferred	<u>98.45</u>	<u>38.21</u>	<u>136.21</u>
Profit after tax	514.68		283.49
Add : Profit brought forward from previous year	17.26	105.26	
Income Tax relating to earlier years	<u>(19.17)</u>	<u>(29.39)</u>	<u>75.87</u>
Profit available for appropriation	<u>512.77</u>		<u>359.36</u>
APPROPRIATIONS			
(a) Transfer to General Reserve	500.00		300.00
(b) Proposed Dividend	0.00		35.99
(c) Provision for tax on Proposed Dividend	0.00		6.12
(d) Balance carried over to next year	12.77		17.25
	<u>512.77</u>		<u>359.36</u>

OPERATIONAL REVIEW :

During the year under review, the income from operation stood at Rs. 23,386.86 Lacs as against Rs. 23,154.37 lacs during the last financial year, showing very thin growth of 1%. The company recorded Gross Profit (profit before interest, depreciation and Bad debts written off) of Rs. 1,661.18 lacs as compared to Rs. 1,445.89 lacs during the last financial year registering a growth in the profit by 14.89%. The profit after tax stood at Rs. 514.68 lacs as against Rs. 283.49 lacs during the previous financial year registering a remarkable growth of 81.55%. The Interest stood at Rs. 604.03 lacs as against Rs. 559.76 lacs for the previous year. Depreciation amounts to Rs. 282.53 lacs during the period under consideration while it was Rs. 238.59 during the last Financial Year. Owing to non-recovery from the customers of the company, a sum of Rs. 51.49 lacs was offered as bad debts written off.

DIVIDEND :

In view of capital expenditure already incurred and proposed to be incurred in the coming years, to conserve the resources & utilize in better adventure and filling working capital gap, your directors do not recommend any dividend during the year under review.

BONUS :

In the year 1993, the general public and other corporate investors subscribed the equity shares of Rs. 10/- each at a premium of Rs. 55/- per share. The company since then is continuously paying dividend to its valued shareholders. Besides, the company has already rewarded the valued shareholders by allotting bonus equity shares in the ratio of 1:1 at the record date fixed on 8th December 2008. However, owing to current bearish market situation and in order to create more confidence amongst shareholders and increase more liquidity in the market, the company has decided to again reward the valued shareholders.

Your Directors have, therefore, proposed allotment of 1,79,95,560 Equity Shares of Rs. 2/- each as Bonus Shares, to be credited as fully paid-up, to the members holding Equity Shares as on the Record Date to be specified in this behalf. The Bonus Shares will be issued in the proportion of One new Equity Share(s) for every Two Equity Shares held on the record date, on which transfer books are closed. The said Bonus Shares shall rank pari-passu with the existing Shares of the company already listed.

SUBSIDIARY COMPANIES :

The Company has four subsidiaries namely: Super Safetywears Limited, Super Tannery (UK) Limited, Aarifi Tanners Limited and Safety Solutions s.r.o. Pursuant to the exemption granted under Section 212 (8) of the Companies Act, 1956, by Government of India, Ministry of Corporate Affairs, vide order no. 47/489/2009-CL-III dated 19.06.2009, the Annual Accounts as on 31st March 2009, in respect of the subsidiaries namely, Super Safetywears Limited, Super Tannery (UK) Limited and Aarifi Tanners Limited have not been attached to the Annual Report of the Company. However, the Annual

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Account of Safety Solutions s.r.o. are being published separately in the Annual Report of the company. The requisite information for each subsidiary companies and related detailed information will be made available to the holding and subsidiary Company investors seeking such information. The Annual Accounts of the subsidiary companies will be kept for inspection by any investors in the head office of the Company and the subsidiary concerned.

INDUSTRIAL RELATIONS :

During the period industrial relations have been extremely cordial. Employees' cooperation and co-ordination had been an important factor in the growth of the organization.

FIXED DEPOSITS :

The Company has not accepted/renewed any deposit during the year as per the provisions of Section 58-A of the Companies Act, 1956.

CLAUSE 32 OF THE LISTING AGREEMENT :

As per the amended Listing Agreement, it is hereby disclosed that the Equity shares of the Company are listed at Kolkata, Kanpur and Mumbai Stock Exchanges. The Company has moved application to Kolkata and Kanpur Stock Exchanges for delisting of its shares. Confirmation from these exchanges is awaited.

HUMAN RESOURCES MANAGEMENT :

Employees are vital to the company. We have created a favourable work environment that encourages humble relationship. We have also set up a scalable recruitment and human resources management process, which enables us to attract and retain high caliber employees. With collaboration of U.P. Leather Industrial Association and IL & FS Cluster Development Initiative Limited, the company has started training centre for recruiting skilled labour.

The Board of Directors wishes to express their deep sense of appreciation to all the employees for their outstanding contribution to the operations of the company during the year under consideration.

Moreover, there was no employee in the company whose particulars are required to be given under section 217(2-A) of the Company Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO :

The particulars of Energy Conservation, Technology Absorption etc. pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in the Annexure forming part of this Report.

DIRECTORS :

In terms of Article 125 of the Articles of Association of the Company, Mr. Imran Siddiqui, Mr. Kumud Behari Seth and Mr. Nafees Ahmad retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment. Brief resume of the Directors, retiring by rotation nature of their expertise in specific functional areas and names of companies in which Directorship held and the membership of committee of the Board as stipulated under clause 49 of the listing Agreement are given in the section of corporate governance in annexure II to this report.

REPORT ON CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance is given in Annexure to this report.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed.

- (i) That in the preparation of the annual accounts for the financial year ended 31st March 2009, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) That the Directors had 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) That the Directors had prepared the accounts for the financial year ended 31st March 2009 on a 'going concern' basis.

CONSOLIDATED FINANCIAL STATEMENTS :

In accordance with Accounting Standard AS-21 on Consolidated Financial Statements, your Directors have pleasure in attaching the Consolidated Financial Statements which form part of Annual Reports and Accounts. These consolidated financial statements include of accounts of Super Tannery (U.K.) Limited, Aarifi Tanners Limited, Super Safetywears Limited and Safety Solutions s.r.o.

AUDITORS :

M/s. Kapoor Tandon and Company, Chartered Accountants, Kanpur will hold office upto the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Their re-appointment if made for the financial year 2009-2010, will be within the statutory limits prescribed in section 224 (1-B) of the Companies Act, 1956. The Board of Directors recommend their re-appointment.

AUDITORS' REPORT :

The comments of the Auditors in their Audit Report and reference to "Notes on Accounts" forming part of the Financial Results are self explanatory and need no further comments.

ACKNOWLEDGEMENT :

Your Directors take this opportunities to express their gratitude and appreciation for the continued co-operation and support to State Bank of India, Central and State Government Authorities, Regulatory Authorities, Stock Exchanges and stakeholders.

On behalf of the Board of Directors

Place : Kanpur
Dated: 04.08.2009

IFTIKHARUL AMIN
Managing Director

IQBAL AHSAN
Jt. Managing Director

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ANNEXURE I TO THE DIRECTORS' REPORT

Statement as required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

(A) Conservation of Energy :

- (1) Energy conservation measures taken:
*Upgradation of power generation and distribution systems for long term energy savings.
Special emphasis has been laid on boiler and steam generation.*
- (2) Additional investments and proposal, if any, being implemented for reduction of consumption of energy:
Introduction of energy saving devices and systems in process machines.
- (3) Impact of the measures at (1) & (2) above for the reduction of energy consumption and consequent impact on the cost of production of goods :
Energy conservation measures have helped in generation of required quantity of steam at a minimum cost which resulted in improving efficiencies and reduction in costs.
- (4) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto :
Not Applicable

(b) Technology Absorption : Research and Development (R & D) :

- (1) Specific area in which R & D carried out by the Company :
(a) New product development based on different raw hides/skins. (b) Improvement in existing production.
- (2) Benefits derived as a result of the above R & D :
(a) Cost reduction and better unit realization. (b) Better product acceptance.
- (3) Future plan of action :
To continue to invest in R & D for faster introduction of new process.
- (4) Expenditure on R & D :

	2008-2009 (Rs. in lacs)	2007-2008 (Rs. in lacs)
(a) Capital	NIL	NIL
(b) Recurring	14.01	13.36
(c) Total	14.01	13.36
(d) Total R&D Expenditure as % of turnover	0.06%	0.06%

Technology Absorption, Adoption and Innovation :

- (1) Efforts, in brief, made towards technology absorption, adoption and innovation :
The Company is using indigenous technology and is developing in house technology and is not dependent on any outside technology/source.
- (2) Benefits derived as a result of the above efforts :
Not Applicable
- (3) In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year) :
 - (a) Technology imported
 - (b) Year of import
 - (c) Has technology been fully absorbed?
 - (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action.

} *Not Applicable*

(C) FOREIGN EXCHANGE EARNINGS & OUTGO :

- (1) Activities relating to exports, initiative taken to increase exports, development of new export markets or products and export plans :
On Export front, Company's performance is quite satisfactory and it is expected to be strong in the time to come.

- (2) Total foreign exchange earned & used :

	2008-2009 (Rs. in lacs)	2007-2008 (Rs. in lacs)
(a) Foreign exchange earned (FOB value of exports)	15,490.45	15,270.87
(b) Foreign exchange used (expenditure in foreign currency)	3,251.86	2,361.79

ANNEXURE II TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY :

The Company firmly believes that good corporate governance practices should be enshrined in all activities of the Companies to ensure efficient conduct of the affairs of the Company while upholding the core values of transparent honesty and accountability. This would also help the Company in its goal to maximize value for its entire stakeholder.

The Company's activities are carried out in accordance with good corporate governance practices and company is constantly striving to improve them and adopt best practices.

The Company is in compliance with the requirement of the revised guidelines on corporate governance stipulated cause 49 of the Listing Agreement with the Stock Exchanges.

2. BOARD OF DIRECTORS :

- (i) The company has Executive Chairman and the number of Independent Directors being 50% and Non Executive Directors (NEDs) being 50% the Board is in conformity with Clause 49 of the listing agreement with the Stock exchanges.
- (ii) None of the directors on the Board is a member of more than 10 Committees or Chairman of more than 5 committees as specified in clause 49 across all the Companies in which he/she is a director. Necessary disclosure about position in other public companies as on 31st March 2009 have been made by the Director.
- (iii) The name and categories of the Directors on the Board, their attendance at Board meeting held during the year and the number of Directorships and Committee Chairmanship/Membership held by them in other companies is given below. Other directorships do not include alternate directorship, and directorship of private limited companies Chairmanship/Membership of Board Committees include on Audit, Remuneration and Shareholder/Investors Grievances committees.
- (iv) The present strength of the Board is twelve and comprises six executive and six non-executive directors. During the year 2008-09, the Board met 6 times (as against the minimum recruitment of four meetings) on the following dates: 30th June 2008, 31st July 2008, 30th Aug. 2008, 31st Oct. 2008, 30th Jan 2009, and 18th March 2009. The maximum time gap between any two board meeting was not more than three calendar months.

The following table gives details of directors' attendance at the Board meetings and at the last Annual General Meeting, number of membership held by director in the Board / Committees of various companies :

Sl. No.	Name	Category	Attendance Particulars		Number of other directorships and Committee Member/Chairman		
			Board Meetings	Last AGM	Directorship	Other Comm- ittee Membership	Chairman
1.	Iftikharul Amin	Managing Director	2	Yes	3	1	-
2.	Iqbal Ahsan	Joint Managing Director	5	Yes	2	1	-
3.	Veqarul Amin	Joint Managing Director	1	No	3	-	-
4.	Imran Siddiqui	Executive Director	6	Yes	1	-	-
5.	Arshad Khan	Executive Director	5	Yes	-	-	-
6.	Mohd. Imran	Executive Director	5	Yes	1	-	-
7.	Mohsin Sharif	Non-Exe. Director Independent	-	-	1	1	1
8.	Nafees Ahmad	Non-Exe. Director Independent	-	-	-	2	1
9.	Kumud Behari Seth	Non-Exe. Director Independent	-	-	1	1	1
10.	P. K. Sinha	Non-Exe. Director Independent	-	-	1	2	-
11.	Dr. Subhash Awasthi	Non-Exe. Director Independent	3	-	1	-	-
12.	Dr. Mohd. Izhar	Non-Exe. Director Independent	-	-	-	-	-

Brief resume of Directors seeking re-appointment, nature of their expertise in specific functional area, is given here under:

- a. **Mr. Imran Siddiqui** : Mr. Imran Siddiqui, Age about 50 years, is a Chemical Engineer. He joined the Board of Directors of the Company in 1992-93 as alternate director. His efficiency and capability enabled the company to appoint him as a whole time Director in 1998-99. Mr. Siddiqui has been associated with the company for over 28 years and closely involved in the operations of the company. He is responsible for Human Resources Development, Legal Administration, Information & Technology and Vegetable tanned Sole leather Production. He had vast experience and his services are required by the company to steer it smoothly. Mr. Siddiqui is also Director in Super Safetywears Limited.

SUPER TANNERY LIMITED

- b. **Mr. Nafees Ahmed** : Mr. Nafees Ahmed is a Graduate. He was introduced in the Board of Directors of the company in march 2002 as a non-executive Director Mr. Nafees Ahmed has experience of 11 years in the field of Leather and administration. Mr. Nafees Ahmed is not a Director in any company except Super Tannery Limited. His services are required by the company from time to time to steer it smoothly.
- c. **Mr. Kumud Behari Seth** : Mr. Kumud Behari Seth is B.Sc. (Hons.) and having a Degree of MBA. He was introduced in the Board of Directors of the company in March 2002 as a non Executive Director. Mr. Kumud Behari Seth has vast experience of 36 years in the field of Marketing and Accounts. His services are required by the company from time to time to steer it smoothly. Mr. Kumud Behari Seth is not a Director in any company except Super Tannery Limited.

3. AUDIT COMMITTEE:

The Audit Committee consists of three Members - Mr. Kumud Behari Seth (Non Executive Independent Director) acts as Chairman, Mr. Mohsin Sharif (Non Executive Independent Director) Member and Mr. Nafees Ahmad (Non Executive Independent Director) member of the committee. During the year 4 meetings were held one of which was before finalization of annual accounts. The said meetings were held on 30th June, 2008, 30th July 2008, 30th October 2008 and 30th January 2009. The meetings of the committee were attended by all the members of the committee. Mr. Kumud Behari Seth has financial and accounting knowledge.

The meetings of the Audit Committee were attended by the heads of accounts & finance and other respective functional heads and statutory auditors as invitees. Members held discussion with the statutory auditors during the meetings of the Committee and half yearly and annual audited financial accounts of the company were reviewed by the Audit Committee before consideration and approval by the Board. The Committee reviewed the internal control system also.

The terms of reference specified by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement. They are as follows:

- a. Oversight of the company's financial reporting process and the disclosure of its financial information.
- b. *Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.*
- c. Reviewing with management the annual financial statements before submission to the Board, (i) the going concern assumption (ii) compliance with accounting standards (iii) compliance with stock exchange and legal requirements concerning financial statements.
- d. Reviewing the adequacy of internal audit functions:
- e. Discussion with internal auditors any significant findings and follow-up there on.
- f. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- g. Discussion with external auditors before the audit commences nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

4. REMUNERATION COMMITTEE:

For better compliance of Corporate Governance, the Remuneration Committee of the Company has been designed to determine company's policy on specific remuneration package of Executive Directors on the basis of their performance. The Remuneration and Commission decided by the Committee are paid in accordance with the Companies Act, 1956. The Composition of Remuneration Committee is as follows:

<i>Name</i>		<i>Status</i>
Mr. Mohsin Sharif	(Non Executive Director - Independent)	Chairman
Mr. Kumud Behari Seth	(Non Executive Director - Independent)	Member
Mr. Nafees Ahmad	(Non Executive Director - Independent)	Member

Details of remuneration paid to Directors are given below:

Name of Director	Salary including perquisites	Sitting Fees	Total (Rs. in lacs)
Mr. Iftikharul Amin	22,57,600	--	22,57,600
Mr. Iqbal Ahsan	22,57,600	--	22,57,600
Mr. Veqarul Amin	22,57,600	--	22,57,600
Mr. Imran Siddiqui	3,31,050	--	3,31,050
Mr. Mohd. Imran	2,48,850	--	2,48,850
Mr. Arshad Khan	2,24,910	--	2,24,910

The Non-Executive directors are not paid any remuneration.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

The Company has constituted Shareholders'/Investors' Grievance Committee (the committee), comprising Mr. Nafees Ahmad, Chairman, Mr. Iftikharul Amin and Mr. Iqbal Ahsan. The Committee, inter-alia, approves issue of duplicate certificates and reviews all matters connected with the securities transfer. The Committee also looks into redressing of Shareholders'/Investors' Complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of dividends, etc. Mr. R. K. Awasthi the Company Secretary acts as a Secretary of the committee as well as Compliance Officer. Total No. of complaints received and replied to the satisfaction of shareholders during the year was 232. No outstanding complaints were lying resolved as on 31st March 2009. No investors' grievance are pending was a period exceeding one month against the Company.

The company is continuously paying dividend to its valued shareholders, the company has already issued bonus equity shares in the ratio of 1:1 at the record date fixed on 8th December 2008. However, the company has decided again to issue 1,79,95,560 Equity Shares of Rs. 2/- each as Bonus Shares.

6. GENERAL BODY MEETINGS:

The last three Annual General Meetings of the Company were held as under :-

Year	Location	Date	Time
2005-2006	Registered Office of the company	12.08.2006	8.00 a.m.
2006-2007	Same as above	22.12.2007	8.00 a.m.
2007-2008	Same as above	30.09.2008	8.00 a.m.

7. DISCLOSURE:

(a) **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflicts with the interests of the Company at large.**

None of the transactions with any of the related parties were in conflict with the interests of the Company. All the related party transactions are negotiated on arms length basis and are only intended to further the interests of the company. Wherever necessary the related party transactions are disclosed in Notes to the Accounts, forming part of the Annual Report.

(b) **Details of Non-compliance by the Company penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

There were no instances of non-compliance of any matter related to the capital markets during last three years.

8. MEANS OF COMMUNICATIONS:

Quarterly Results: The quarterly results were published in the 'The Pioneer' (English), New Delhi and 'Dainik Aaj' (Hindi), Kanpur. The Management Discussion and Analysis (M D & A) is a part of Annual Report.

9. INSIDER TRADING:

In accordance with Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992, as amended in February 2002, the Board of Directors of the company formulated the code of conduct for prevention of insider trading in shares of the company by its employee

10. GENERAL SHAREHOLDER INFORMATION:

10.1 ANNUAL GENERAL MEETING : Date and Time : 30th Sep. 2009 at 8.00 a.m.
Venue : 187/170, Jajmau, KANPUR-208010.

SUPER TANNERY LIMITED

10.2 FINANCIAL CALENDAR 2009-10 (Tentative)

BOARD MEETINGS:

Results for the quarter ending 30.06.2009 Last week of July 2009

Results for the quarter ending 30.09.2009 Last week of October 2009

Results for the quarter ending 31.12.2009 Last week of January 2010

Results for the quarter ending 31.03.2010 Last week of June 2010, as per Listing Agreement.

10.3 BOOK CLOSURE DATE: 20th September 2009 to 30th September 2009 (both days inclusive)

10.4 DIVIDEND : In view of capital expenditure already incurred and proposed to be incurred in the coming years, to conserve the resources & utilize in better adventure and filling working capital gap, the Company do not recommend any dividend during the year under review.

10.5(a) LISTING OF EQUITY SHARES ON STOCK EXCHANGES AT:

The Calcutta Stock Exchange Association Limited, 7, Lyons Range, KOLKATA-700 001.

The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI-400 001.

The U. P. Stock Exchange Association Ltd. Padam Towers, 14/113, Civil Lines, KANPUR-208 001.

NOTE : Annual Listing Fees for the year 2009-10 as applicable has been paid to the BSE, The company's application to Calcutta Stock Exchange and U. P. Stock Exchange for delisting is awaiting confirmation.

(b) DEMAT ISIN NUMBERS IN NSDL & CDSL: Equity Shares INE 460D01020

10.6 STOCK CODE: Trading in Mumbai Stock Exchange and Stock Code is 523842

Performance of Company's Equity Share:

Months	Company's Equity Share	
	High	Low
April 2008	10.19	9.90
May 2008	10.10	9.80
June 2008	10.50	10.00
July 2008	10.10	9.90
August 2008	14.70	13.00
September 2008	13.11	10.50
October 2008	10.60	8.25
November 2008	11.45	9.20
December 2008	10.97	4.96
January 2009	5.42	4.12
February 2009	4.42	4.00
March 2009	4.50	3.55

10.7 REGISTRAR AND TRANSFER AGENT:

KARVY Computershare Pvt. Ltd. (Karvy Consultants Ltd.)

46, Avenue-4, Street No. 1, Banjara Hills, HYDERABAD-500034

Phone: 40-23312454, 23376715

Fax : 40-23311968, 23323049

E-mail: ussingh@karvy.com, mailmanager@karvy.com

10.8 SHARE TRANSFER SYSTEM:

In compliance of SEBI Circular No. D&CC/FITC/CIR-15/2002 dated 27th December 2002, your Company has appointed common agency to shareholders for all the work relating to share registry in terms of both physical and electronic at single point by our Registrar & Transfer Agent i.e. KARVY Computershare Pvt. Ltd. (Karvy Consultants Ltd.) Hyderabad. The share transfers, which are received in physical form, are processed and the share certificates returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respect.

10.9 Shareholding Pattern and Distribution Schedule as on 31st March, 2009

Sl. No.	Description	Cases	Shares	Percentage of holding
1	BANKS	1	1,000	0.00
2	CLEARING MEMBERS	6	2,283	0.01
3	DIRECTORS	3	1,20,34,612	33.44
4	DIRECTORS AND OTHER RELATIVES	7	91,18,200	25.33
5	H U F	55	5,24,833	1.46
6	BODIES CORPORATES	131	16,52,446	4.59
7	MUTUAL FUNDS	1	13,83,000	3.84
8	FII's / NRIs	100	1,78,954	0.50
9	RESIDENT INDIVIDUALS	6,107	1,10,95,792	30.83
	TOTAL :	6,411	3,59,91,120	100.00

10.10 DEMATERIALISATION OF SHARES AND LIQUIDITY:

The company has entered into agreement with NSDL and CDSL for the dematerialization of its equity shares. The equity shares of the company are frequently traded on the BSE. Approximately 82.67% of the equity shares issued by the company have been dematerialized upto 31st March 2009.

10.11 OUTSTANDING GDR/ADR/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY TO IMPACT ON EQUITY: NIL

10.12 PLANT LOCATIONS:

- (a) Chrome Tannery : 187/170, Jajmau Road, Kanpur-208 010
- (b) Goat Tannery : Leather Technology Park, Banthar, Unnao - 209 801
- (c) Sole Tannery : (i) Mona Nagar, Jajmau, Kanpur-208 010
(ii) 187/170, Jajmau Road, Kanpur, 208 010
- (d) Fashion Shoe Division : 6, Akrapur, Unnao-209 801
- (e) Footwear Division : 169, Jajmau Road, Kanpur-208 010
- (f) Safety Shoe Division : Leather Technology Park, Banthar, Unnao - 209 801

10.13 ADDRESS FOR INVESTORS' CORRESPONDENCE:

Shareholders correspondence should be addressed to our Registrar & Transfer Agents at the address mentioned above. Shareholders may also contact Company Secretary at the Registered Office of the Company at:

187/170, Jajmau Road, Kanpur-208 010

Phone: 0512-3935747, 3935748, 3935749 Fax : 0152-2460792

E-mail: share@supertannery.com; supertannery@satyam.net.in

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

11. CODE OF CONDUCT:

The Company has a code of conduct applicable to its Directors and senior management personnel.

Declaration as required under Clause 49 of the Listing Agreement:

All Directors and senior management of the company have affirmed compliance with company's Code of Conduct for the financial year ended 31st March 2009.

Kanpur : 04.08.2009

IFTIKHARUL AMIN
Managing Director

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12. NON-MANDATORY REQUIREMENTS:

The company has adopted non-mandatory requirements to the following extent:

Chairman of the Board - The Company does not have a Chairman. At every Board meeting, a Director is elected to preside over the meeting. The company has constituted Remuneration committee of the Board.

On behalf of the Board of Directors

Place : Kanpur
Dated : 04.08.2009

IFTIKHARUL AMIN
Managing Director

IQBAL AHSAN
Jt. Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development :

The Indian Leather Industry plays a significant role in the Indian Economy in view of its substantial export earnings, employment generation and growth opportunities. The export of leather and leather products has been increased over past few years.

The Company is striving high to capture over Global Market in respect of Leather and Leather Products. The Company has taken various steps to promote company's products all over the world and it is being done in line with global trends to enhance scale, global competitiveness and financial flexibility and also to contribute towards achievement of company's objective and to increase revenue, production volume, market shares and shareholder's returns.

Your company in view of the competitive scenario has taken various steps to meet these challenges and also capitalise on budding opportunities available. The company is regularly carrying out detailed analysis of leather industry and has been making all possible efforts to understand the various minutiae of the emerging market scenario. The company has been investing considerable amount of funds on its Research & Development programmes in order to enrich and improve the quality of products.

Opportunities :

Company has gained reputation and established itself globally as Supplier of quality products.

The company has demonstrated global competitiveness and has achieved international standards for the quality of its products and its immense capabilities provide massive opportunities in the foreign market.

Company's overall strategy is to enhance shareholder value by receiving better returns through a long-term investment.

Threat:

The company is fully aware of the factors dictating competition and has been investing with the ups and downs through its various effective measures like cost optimization, competitive pricing, improved production process and enhanced customer satisfaction.

Even under difficult operating conditions, company has been consistently performing its best. It is expected that company's sound policies, competitive cost position will enable the company to lead the market effectively.

To exist in the competitive market and improve the value of shareholder, company is consistently considering all the significant factors, which provide sharp edges that enable company to enhance the margin.

Out Look :

Company's maximum operational income is based on the margin on export of leather and leather products. As most of part of the earning is realized from Export, out look depends upon the global economic scenario, global demand and supply and International product prices. Above all the performance of your company is largely depends on the Exim policy of the Union Government. Looking at the overall development of the Indian economy and the efforts of the Central Government to achieve higher GDP, Board of directors of your company is very much optimistic to the future of the Company.

Risks and Concerns:

Although Your company does not perceive any serious threat, still company is taking care against the risk of growing pressure of prices, foreign exchange rates variation, current and future litigation, working capital management, bad debts etc. Foreign exchange liabilities / revenues are mainly concerned with the company's operation. Regular monitoring of movement of foreign exchange rates is carried out and decisions are taken as to when outstandings are to be covered and payments are to be made. Working Capital requirement are to be kept at minimum level in order to maintain the lowest possible interest rate.

Company has strongly prepared itself to meet cutthroat competition in global market by adhering to international quality standards of its product.

In addition to above company have overall risk management strategy, follows such practices & policies that are framework of efficient management to count the risk in advance.

Internal Control System and their Adequacy :

The company has made sufficient arrangement for internal control system and its monitoring for keeping proper record

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of the purchase of raw materials, stores, components, plant and machineries, equipments and all other assets for production and sale of finished leather and leather products. The company has clearly fixed rules and responsibilities for all management personnel and all operational activities are well controlled. The system ensures authorization of all transactions, records and the reports correctly and properly through computerized system.

The Audit committee of the Company also re-examines adequacy of internal controls, systems of risk management policies adopted by the Company.

Company's Laws and Regulations are also reviewed by the internal Audit Team regularly from time to time and its report is submitted to the promoters and put up in every Board Meeting. In order to provide sufficient support for business promotion of the company, the finance and commercial functions have been properly set. The company takes into account from time to time and Analysis its progress in accordance with the Laws and Regulations set by the internal auditors and report to the Board in every Board Meeting in support of best practices for internal control, standard operating norms and guidelines are being issued. The Company also incorporates all financial operating, and information technology systems are also evaluated from time to time.

Environment and safety :

The Company feels its responsibility and is fully aware of the importance to achieving exhibiting healthy environmental performance by checking effect of its activities, product or services for the environment. The environment policy of the company fully complies with the environmental laws and prevention of water, air and noise pollution and every efforts are made for continual improvement in the environmental performance. The Company has also initiated focusing its attention on "Charter on Corporate Responsibility" under the policy of the Government of India. The Company takes all measure to save and minimize the environmental effect on air, water by strictly using and further sounding its environmental management system to meet its objective. The Company ensures providing safe work place, machines and safety control measures within the organization and a sense of safety consciousness is spread amongst all the workmen, employees and supervisors.

Industrial Relations and Human Resources Development :

The Company gives much importance to maintain good relations with its employees ensuring that employees feel valued and energetic in creating an atmosphere and culture so that they can maximize their contribution in increasing the growth and further development of the company, and in turn the Company thinks of individual growth of its employees for their dedicated participation in organizational development.

Discussion of Financial Performance with respect to Operational Performance :

Effective working management is regularly concentrating to reduce the cost of debt as much as possible. Prudent cash management endeavor to utilize the optimum Working Capital in order to reduce the interest cost and also to avoid the bottleneck of company's operation.

Industrial Relations and Human Resources Development :

The company's priority is to reduce the employee's turnover ratio. The company's approach and efforts are to create congenial work environment for individual growth, which enable the development of whole organization.

Relationship with the employees remains cordial through out the year. The company has a team of over 500 dedicated employees working towards the company's mission.

Cautionary Statement :

Statements in the Management Discussion & Analysis Report which seek to describe the company's objectives, projections estimates, expectations and predictions may be considered to be "forward looking statements" and are stated as required by applicable laws and regulations. Actual results could differ from those expressed or implied. Many factors including global and domestic demand-supply conditions, prices, raw materials availability, technological changes, changes in Government policies, tax laws and other statutes may affect the actual results, which could be different from what the Directors' envisage in terms of future performance and out look.

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To The Shareholders,
Super Tannery Limited

We have examined the compliance of conditions of Corporate Governance by Super Tannery Limited for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination were limited to a review of the procedures and implementation thereof, adopted by company for ensuring the compliance with the conditions of 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, we certify that the company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

Place : Kanpur
Date : 04.08.2009

For **KAPOOR TANDON & Co.,**
Chartered Accountants
(HIMANSHU KAPOOR)
Partner
Membership No. 78180

SUPER TANNERY LIMITED

AUDITOR'S REPORT

The Managers,
Super Tannery Limited

We have audited the attached Balance Sheet of SUPER TANNERY LIMITED as at 31st March, 2009, the Profit and Loss Account and the Cash Flow Statement 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 passed on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 managements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Company (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act 1956 and the basis of such checks of the books and records of the Company as we considered appropriate and according to information and explanation to us, we annex hereto a statement on the matters specific in paragraph 4 and 5 of the said Order.
3. Further to our comments in the annexure referred to in paragraph 2 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 account as required by law have been kept by the company so far as appear from our examination of these books;
 - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books account;
 - d. In our opinion, Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the books account;
 - e. On the basis of written representations received from the Directors and taken on records by the Board of Directors, we report that none of the directors disqualified as on 31.03.2009 from being appointed as a Director in terms of Sub Section 274(1) (g) of the Companies Act, 1956;
 - f. In the absence of the Notification by the Central Government of India, the Cess payable under Section 441A of the Companies Act, 1956 has not been paid, in absence of the Notification, the amount of Cess not so paid, could not be ascertained.
 - g. In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with the 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 the accounting principles generally accepted in India:
 - i. in the case of Balance Sheet of the state of affairs of Company as at 31st March, 2009.
 - ii. in the case of Profit and Loss Account of the Profit for the year ended on that date.
 - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Kanpur
Date : 04.08.2009

For **KAPOOR TANDON & Co.,**
Chartered Accountants
(HIMANSHU KAPOOR)
Partner
Membership No.: 78180

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 2 of our report of even date on the financial statements of Super Tannery Limited for the year ended March, 2009).

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of all fixed assets on the basis of available information.
- (b) As explained to us all the fixed assets have been physically verified by the management at reasonable intervals, having regard to the size of the company and the nature of fixed assets. No material discrepancies were noticed on the such physical verification.
- (c) In our opinion, the Company has not disposed off any substantial part of its assets during the year so as to affect its going concern status.
- ii. (a) The inventories of the company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company is maintaining proper records of inventories. The discrepancies noticed on verification between physical inventories and book records and were not material in relation to the operations of the company and the same have been properly dealt with in the books of accounts.
- iii. According to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the company has not granted/taken any loans to/from parties covered in the register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (b), (c) and (d) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory, fixed assets and for the sale of good, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control procedures.
- v. (a) If, our opinion and according to the information and explanations given to us, all the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public during the year within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- vii. In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- viii. To the best of knowledge and according to the information and explanations given to us, the Central Govt. has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for any of the products of the company excepting leather footwear, for which in our opinion, prima facie, the prescribed accounts and records have been maintained and are being made up. We are not required to and, accordingly, have not made a defined examination of the records.
- ix. (a) According to the information and explanations given to us and books and records produced and examined by us, in our opinion, the generally regular in depositing undisputed Statutory dues including Provident Fund, Investors Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess (excepting Cess under Section 441A of the Companies Act 1956)

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and other material Statutory dues as applicable with the appropriate authorities, According to the information and explanations given to us, no undisputed amount payable in respect of income Tax, Wealth Tax, Custom Duty and Excise Duty were outstanding at the end of the year for a period of more than six months from the date they become payable.

- (b) As at 31st March, 2008, according to the records of the company, and the information and explanations given to us, the following are the particulars of dues on account of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty and Cess matters that have not been deposited on account of any dispute.

Name of The Statute	Nature of the dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where pending
Sales Tax Laws	Entry Tax	Not Ascertainable	F.Y. 2004-05 F.Y. 2005-06 F.Y. 2007-08	(a) High Court, Allahabad (For and on behalf of leather industries of Kanpur, U.P. Leather Industries Association has filed writ petition challenging the constitutional validity of the U.P. Tax on Entry of Goods Act, 2000) (b) High Court, Allahabad (For and on behalf of Leather Industries of Kanpur U.P. Leather Industries Association has filed writ petition challenging the constitutional validity of the U.P. Tax on Entry of goods into the local area ordinance number 35 of 2007 promulgated by the Governor of U.P.
Service Tax Act	Service Tax	9.35	F.Y. 2005-06	Supreme Court, New Delhi (For & on behalf of leather industries of Kanpur, Indian Exports grievance Forum has filed writ Petition challenging the Constitutional validity of Payment of Service Tax on Commission remitted to overseas agents).

- x. The company does not have accumulated losses as at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial years.
- xi. According to the information and explanations given to us and based on the documents and records produced to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii. According to the information and explanations 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. In our opinion and according to the information and explanations given to us, the nature of activities of the company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund/societies.
- xiv. In our opinion and according to the information and explanations given to us, the company is not dealer or trader in securities.
- xv. According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institution.

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- 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 explanations given to us and on an overall examination of the Balance Sheet of the company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment and vice versa.
- xviii. The company has not made any preferential allotment of shares to parties and company covered in the register maintained under Section 301 of the companies Act, 1956 during the year.
- xix. 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. Based on the audit procedures performed and according to the information and explanations given to us, no fraud on by the company has been noticed or reported during the year.

For **KAPOOR TANDON & Co.,**
Chartered Accountants
(HIMANSHU KAPOOR)
Partner
Membership No. 78180

Place : Kanpur
Dated : 04.08.2009

SUPER TANNERY LIMITED

Balance Sheet as at 31st March, 2009

	Sch. No.		As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
I. SOURCES OF FUNDS				
1. Share Holders' Fund				
Capital	1	7,19,82,240	3,59,91,120	
Reserves and Surplus	2	<u>37,53,07,940</u>	<u>44,72,90,180</u>	<u>36,20,97,584</u>
				39,80,88,704
2. Loan Funds				
Secured Loans	3		75,13,57,468	65,11,53,897
3. Deferred Tax Liability (Refer Note No. B-20, Schedule-19)				
			5,20,02,133	4,21,57,635
		TOTAL	<u>1,25,06,49,781</u>	<u>1,09,14,00,236</u>
II. APPLICATION OF FUNDS				
1. Fixed Assets				
Gross Block	4	72,72,81,909	63,10,12,131	
Less : Depreciation		<u>24,01,79,594</u>	<u>21,22,91,975</u>	
Net Block		48,71,02,315	41,87,20,156	
Capital Work in Progress		<u>1,20,80,481</u>	<u>49,91,82,796</u>	42,99,05,087
				1,58,93,300
2. Investments				
	5		1,86,74,948	
3. Current Assets, Loans and Advances				
Inventories	6	55,74,78,247	64,31,87,681	
Sundry Debtors	7	41,76,74,738	35,41,39,435	
Cash and Bank Balances	8	4,18,80,794	6,22,64,818	
Loans and Advances	9	7,46,74,001	4,46,01,309	
Other Current Assets	10	4,49,21,909	5,35,08,943	
		TOTAL 'A'	<u>1,13,66,29,689</u>	<u>1,15,77,02,186</u>
Less : Current Liabilities and Provisions				
Liabilities	11	38,44,22,359	48,87,63,794	
Provisions	12	1,94,15,293	2,33,36,543	
		TOTAL 'B'	<u>40,38,37,652</u>	<u>51,21,00,337</u>
Net Current Assets (A-B)			<u>73,27,92,037</u>	<u>64,56,01,849</u>
		TOTAL	<u>1,25,06,49,781</u>	<u>1,09,14,00,236</u>

Notes on Accounts 19

Schedules referred to above form an integral part of Balance Sheet.
As per our report of even date attached.

For **KAPOOR TANDON & CO.**
Chartered Accountants

(HIMANSHU KAPOOR)
PARTNER

R.K. AWASTHI
Company Secretary

R. S. SINGH
G.M.(Finance) & CFO

IQBAL AHSAN
Jt. Managing Director

MOHD. IMRAN
Whole-time Director

For and on behalf of the BOARD

Place : Kanpur
Dated : 04.08.2009

Profit and Loss Account for the Year ended 31st March, 2009

Particulars	Sch. No.	2008-2009 Rs.	2007-2008 Rs.
I. INCOME			
Income from operations	13	2,33,86,86,033	2,31,54,37,967
Other Income	14	22,93,311	37,10,881
Increase/(Decrease) in stocks	15	(8,44,55,093)	4,05,96,745
TOTAL 'A'		2,25,65,24,251	2,35,97,45,593
II. EXPENDITURE			
Materials Consumed	16	1,70,96,27,932	1,86,00,94,324
Manufacturing Expenses	17	13,72,63,828	13,06,01,641
Administrative and Selling Expenses	18	30,90,67,346	30,32,19,803
Depreciation on Fixed Assets		2,82,52,516	2,38,59,626
TOTAL 'B'		2,18,42,11,622	2,31,77,75,394
III. PROFITS			
PROFIT BEFORE TAX		7,23,12,629	4,19,70,199
Provision for Taxation:			
– Current Tax		1,10,00,000	98,00,000
– Deferred Tax		98,44,499	38,21,300
PROFIT AFTER TAX		5,14,68,130	2,83,48,899
Income Tax relating to Earlier Years		(19,16,885)	(29,39,070)
Balance brought forward from previous year		17,25,863	1,05,26,816
Profit Available for Appropriations		5,12,77,108	3,59,36,645
IV. APPROPRIATIONS/TRANSFERS			
Proposed Dividend		-	35,99,112
Provision for Tax on Proposed Dividend		-	6,11,670
Transferred to General Reserve		5,00,00,000	3,00,00,000
Surplus Carried to Balance Sheet		12,77,108	17,25,863
		5,12,77,108	3,59,36,645
V. EARNING PER SHARE			
Net Profit		5,14,68,130	2,83,48,899
Weighted average no. of Equity Shares		3,59,91,120	1,79,95,560
Basic and Diluted Earning per Share		1.43	1.58
Restated earning per share (Nominal Value Rs. 2/- per share) (Refer Note No. B-4, Schedule - 19)		-	0.79
Notes an Accounts	19		

Schedules referred to above form an integral part of Profit and Loss Account.
As per our report of even date attached.

For **KAPOOR TANDON & CO.**
Chartered Accountants

For and on behalf of the BOARD

(HIMANSHU KAPOOR)
PARTNER

R.K. AWASTHI
Company Secretary

R.S. SINGH
G.M.(Finance)& CFO

IQBAL AHSAN
Jt. Managing Director

MOHD. IMRAN
Whole-time Director

Place : Kanpur
Dated : 04.08.2009

SUPER TANNERY LIMITED

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
Five crores Equity Shares of Rs. 2/- each	<u>10,00,00,000</u>	<u>10,00,00,000</u>
ISSUED AND SUBSCRIBED		
1,79,95,560 Equity Shares of Rs. 2/- each fully paid-up	3,59,91,120	3,59,91,120
Add : 1,79,95,560 Bonus equity shares issued by capitalisation of Share Premium Account	<u>3,59,91,120</u>	<u>7,19,82,240</u>
TOTAL :	<u>7,19,82,240</u>	<u>3,59,91,120</u>
SCHEDULE - 2		
RESERVES AND SURPLUS		
Capital Reserve	17,67,180	17,67,180
Capital Subsidy under Tannery Modernisation Scheme	85,00,256	85,00,256
Share Premium Account		
Balance as per Last Account	9,90,00,000	
Less : transferred to Share Capital Account	<u>3,59,91,120</u>	9,90,00,000
Revaluation Reserve		
Balance as per Last Account	2,11,04,285	2,14,98,721
Less : transfer to Profit & Loss Account	<u>3,49,769</u>	<u>3,94,436</u>
	2,07,54,516	2,11,04,285
General Reserve		
Balance as per last account	23,00,00,000	20,00,00,000
Add : transfer from Profit & Loss Account	<u>5,00,00,000</u>	<u>3,00,00,000</u>
	28,00,00,000	23,00,00,000
Profit & Loss account		
as per account annexed	12,77,108	17,25,863
TOTAL :	<u>37,53,07,940</u>	<u>36,20,97,584</u>
SCHEDULE - 3		
SECURED LOANS		
WORKING CAPITAL LOANS FROM BANK		
STATE BANK OF INDIA		
a) Cash Credit	73,07,923	2,64,71,467
b) Packing Credit	66,37,92,469	55,58,88,992
c) Advance against bills under collection (Refer Note No. B-5, Schedule - 19)	3,38,62,000	0
RUPEE TERM-LOAN FROM BANK		
STATE BANK OF INDIA (Refer Note No. B-5 and 6, Schedule - 19)	1,81,00,199	4,24,56,840
FOREIGN CURRENCY LOAN		
STATE BANK OF INDIA, Bahamas (Refer Note No. B-5 and 6, Schedule - 19)	2,70,29,850	2,51,22,000
SECURED LOAN - OTHERS (INR)		
Vehicle loan from HDFC Bank Limited (Refer Note No. B-5, Schedule - 19)	12,65,027	12,14,598
TOTAL :	<u>75,13,57,468</u>	<u>65,11,53,897</u>

**SCHEDULE - 4
FIXED ASSETS**

(Amount in Rupees)

	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	AS AT 01.04.2008	ADDITIONS	SALES/AD- JUSTMENTS	AS AT 31.03.2009	UPTO 31.03.2008	FOR THE YEAR	ADJUST- MENTS	UPTO 31.03.2009	AS ON 31.03.2009	AS ON 31.03.2008
LAND-FREEHOLD	3,21,69,114	29,63,863	2,31,100	3,49,01,677	0	0	0	0	3,49,01,677	3,21,69,114
LAND-LEASEHOLD	73,59,349	0	0	73,59,349	3,37,756	74,337	0	4,12,093	69,47,256	70,21,593
BUILDING	10,26,74,212	1,45,83,957	0	11,72,58,169	2,66,44,882	31,69,991	0	2,98,14,873	8,74,43,296	7,60,29,330
PLANT & MACHINERY	44,96,65,442	7,28,83,467	1,24,500	52,24,24,409	16,77,61,535	2,22,16,029	79,804	18,98,97,760	33,25,26,649	28,19,03,907
FURNITURE & FIXTURE	55,78,958	11,55,693	0	67,34,651	40,19,235	4,78,055	0	44,97,290	22,37,361	15,59,723
VEHICLES	2,66,57,225	69,67,620	19,29,022	3,16,95,823	67,58,893	26,63,873	6,34,862	87,87,904	2,29,07,919	1,98,98,332
MACHINERIES LET OUT ON LEASE	49,14,706	0	0	49,14,706	48,16,411	0	0	48,16,411	98,295	98,295
VEHICLES LET OUT ON LEASE	19,93,125	0	0	19,93,125	19,53,263	0	0	19,53,263	39,862	39,862
TOTAL	63,10,12,131	9,85,54,600	22,84,822	72,72,81,909	21,22,91,975	2,86,02,285	7,14,666	24,01,79,594	48,71,02,315	41,87,20,156
CAPITAL WORK IN PROGRESS									1,20,80,481	1,11,84,931
TOTAL									49,91,82,796	42,99,05,087
PREVIOUS YEAR	56,70,63,794	7,06,25,001	66,76,664	63,10,12,131	19,00,95,172	2,42,54,082	20,57,259	21,22,91,975	41,87,20,156	--

Note : Sales/adjustment column in Gross Block includes adjustment on account of revaluation of fixed assets held in foreign currency as per Accounting Standard 11 issued by the Institute of Chartered Accountants of India.

SUPER TANNERY LIMITED

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE - 5		
INVESTMENTS (LONG-TERM)		
(At cost, unless otherwise specified)		
QUOTED (Non-trade) :		
SUPERHOUSE LIMITED 5,200 Equity Shares of Rs. 10/- each fully paid	52,000	52,000
UN-QUOTED (Non-trade) :		
(i) Investment in Subsidiary Companies		
SUPER TANNERY (U.K.) LIMITED 2,100 Ordinary Shares of GBP 1/- each fully paid	1,55,043	1,62,645
AARIFI TANNERS LIMITED 12,05,366 (9,55,366) Equity Shares of Rs. 10/- each fully paid	1,64,23,500	1,39,23,500
SUPER SAFETYWEARS LIMITED 49,300 Equity Shares of Rs. 10/- each fully paid	4,93,000	4,93,000
SAFETY SOLUTIONS s.r.o. 2,00,000 Slovak crown.	4,42,755	3,93,505
(ii) Others		
SUPER HOUSE OVERSEAS LIMITED 25,000 Equity Shares of Rs. 10/- each fully paid	50,000	50,000
AL-BARR FINANCE HOUSE LIMITED 30,000 Equity Shares of Rs. 10/- each fully paid	3,00,000	3,00,000
SVIT PRONEXT MACHINES PRIVATE LIMITED 8,500 Equity Shares of Rs. 10/- each fully paid	85,000	85,000
INDUSTRIAL INFRASTRUCTURE SERVICES (INDIA) LIMITED 35,365 Equity Shares of Rs. 10/- each fully paid	3,53,650	3,53,650
KANPUR UNNAO LEATHER CLUSTER DEVELOPMENT CO. LTD. 24,000 Equity Shares of Rs. 10/- each fully paid	2,40,000	--
BANTHAR INDUSTRIAL POLLUTION CONTROL COMPANY 8,000 Equity Shares of Rs. 10/- each fully paid	80,000	80,000
TOTAL :	<u>1,86,74,948</u>	<u>1,58,93,300</u>
Aggregate value of Quoted Investments	52,000	52,000
Aggregate value of Un-quoted Investments	1,86,22,948	1,58,41,300
TOTAL :	<u>1,86,74,948</u>	<u>1,58,93,300</u>
Total Market Value of Quoted Investments	<u>1,34,160</u>	<u>1,45,600</u>
SCHEDULE - 6		
INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials	7,52,43,012	8,36,17,915
Chemicals, Stores and Spares	9,17,44,349	8,46,23,787
Work in Process	23,13,28,409	29,78,08,047
Finished Goods (including trading items)	15,70,91,602	17,03,41,827
Waste and Scrap	20,70,875	6,796,105
TOTAL :	<u>55,74,78,247</u>	<u>64,31,87,681</u>
SCHEDULE - 7		
SUNDRY DEBTORS		
(i) Debts Outstanding for a period exceeding six months		
Considered Good	10,38,50,206	4,65,22,948
Considered doubtful	21,99,490	21,99,490
Less : Provision for Bad & Doubtful Debts	21,99,490	21,99,490
(ii) Other debts (considered good)		
	31,38,24,532	30,76,16,487
TOTAL :	<u>41,76,74,738</u>	<u>354,139,435</u>

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE - 8		
CASH AND BANK BALANCES		
Cash in Hand	20,57,822	45,60,023
Cheques in Hand	67,77,678	88,79,563
Balances with Scheduled Banks		
i. in Current Account	89,27,660	1,70,84,920
ii. in Term (Margin) Deposit Account	1,71,90,412	2,95,93,544
iii. in EEFC Account	48,95,705	88,567
iv. in Unpaid Dividend Account	20,31,517	20,58,201
TOTAL :	<u>4,18,80,794</u>	<u>6,22,64,818</u>
SCHEDULE - 9		
LOANS & ADVANCES		
(Unsecured Considered good)		
Advance to Subsidiary Companies	1,03,62,310	46,01,155
Unsecured loan to a company under the same management	1,85,00,000	-
Advance Income Tax (including Fringe Benefit Tax)	88,07,018	84,86,786
Advances recoverable in cash or in kind or for value to be received	3,41,72,077	2,99,05,772
Security Deposits	24,72,596	16,07,596
Share Application Money (pending allotment)	3,60,000	-
TOTAL :	<u>7,46,74,001</u>	<u>4,46,01,309</u>
SCHEDULE - 10		
OTHER CURRENT ASSETS		
Duty Draw Back Receivable	2,25,79,926	4,61,41,389
Other Current Assets	2,23,41,983	73,67,554
TOTAL :	<u>4,49,21,909</u>	<u>5,35,08,943</u>
SCHEDULE - 11		
LIABILITIES		
Sundry Creditors	22,29,03,430	34,46,70,712
Advances from Customers	1,08,15,174	1,14,49,832
Other Liabilities	7,95,04,049	6,52,23,872
Advance against sale of land	2,93,10,000	2,93,10,000
Sundry creditors for fixed assets	39,34,614	-
Unpaid Dividend	20,31,517	22,84,101
Book Overdraft from Bank	3,59,13,575	3,58,02,296
Security Deposit	10,000	22,981
TOTAL :	<u>38,44,22,359</u>	<u>48,87,63,794</u>

SUPER TANNERY LIMITED

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE - 12		
PROVISIONS		
Provision for Taxation (including fringe benefit tax)	1,10,00,000	98,00,000
Provision for Tax on Proposed Dividend	-	6,11,670
Proposed Dividend	-	35,99,112
Provision for Gratuity	<u>84,15,293</u>	<u>93,25,761</u>
TOTAL :	<u>1,94,15,293</u>	<u>2,33,36,543</u>
	2008-09 Rs.	2007-08 Rs.
SCHEDULE - 13		
INCOME FROM OPERATIONS		
Sales - Export	1,59,18,72,670	1,56,97,57,469
Sales - Others	28,31,85,331	35,16,86,801
Duty Draw Back	8,68,84,361	11,15,42,197
Premium on Sale of Import Licence	3,26,52,453	3,13,67,120
Exchange Fluctuation	2,37,02,837	(17,84,220)
Inter Division Transfer (as per contra Schedule - 16)	32,04,52,123	25,45,15,403
TOTAL :	<u>2,33,87,49,775</u>	<u>2,31,70,84,770</u>
Less : Excise Duty	63,742	36,512
Sales/Trade Tax	--	16,10,291
TOTAL :	<u>2,33,86,86,033</u>	<u>2,31,54,37,967</u>
SCHEDULE - 14		
OTHER INCOME		
Interest (including tax deducted at source)	7,98,339	13,04,082
Profit on sale of fixed assets	1,58,792	2,90,191
Miscellaneous Income	<u>13,36,180</u>	<u>21,16,608</u>
TOTAL :	<u>22,93,311</u>	<u>37,10,881</u>
SCHEDULE - 15		
INCREASE/(DECREASE) IN STOCKS OF FINISHED GOODS AND WORK IN PROCESS		
STOCK AT COMMENCEMENT		
Finished Goods	16,12,66,393	10,04,77,380
Work in Process	29,78,08,047	32,51,04,064
Trading Items	90,75,434	52,02,500
Stock of Waste & Scrap	<u>67,96,105</u>	<u>35,65,290</u>
TOTAL :	<u>47,49,45,979</u>	<u>43,43,49,234</u>
STOCK AT CLOSE		
Finished Goods	14,91,35,885	16,12,66,393
Work in Process	23,13,28,409	29,78,08,047
Trading Items	79,55,717	90,75,434
Stock of Waste & Scrap	<u>20,70,875</u>	<u>67,96,105</u>
TOTAL :	<u>39,04,90,886</u>	<u>47,49,45,979</u>
Increase/(Decrease) in Stocks	<u>(8,44,55,093)</u>	<u>4,05,96,745</u>

	2008-2009 Rs.	2007-2008 Rs.
SCHEDULE - 16		
MATERIALS CONSUMED		
Opening Stock	8,36,17,915	10,04,27,774
Add :		
i. Purchase (Including expenses on purchases)	77,51,06,882	96,58,95,389
ii. Inter Division Transfers (As per contra Schedule - 13)	<u>32,04,52,123</u>	<u>1,22,04,10,792</u>
Less : Closing Stock	<u>7,52,43,012</u>	<u>8,36,17,915</u>
Consumption of Raw Materials	1,10,39,33,908	1,23,72,20,651
Consumption of Chemicals	34,20,32,899	32,28,44,211
Consumption of Stores and Spares	11,60,19,329	10,21,40,845
Purchase of Finished Goods	14,76,41,796	19,78,88,617
TOTAL :	<u>1,70,96,27,932</u>	<u>1,86,00,94,324</u>

SCHEDULE - 17		
MANUFACTURING EXPENSES		
Wages and Bonus (including Job charges)	7,63,82,164	7,30,67,346
Power and Fuel	5,24,80,982	4,91,03,995
Repairs to Machinery	65,67,554	65,44,122
Pollution Control Expenses	<u>18,33,128</u>	<u>18,86,178</u>
TOTAL :	<u>13,72,63,828</u>	<u>13,06,01,641</u>

SCHEDULE - 18		
ADMINISTRATIVE AND SELLING EXPENSES		
Salary and Bonus	2,37,41,418	2,05,66,079
Contribution to Provident and Other funds	51,43,104	69,42,547
Workmen and Staff Welfare Expenses	33,34,320	38,95,132
Rent	15,65,250	21,22,578
Rates and Taxes	79,58,799	61,05,821
Repairs to Building	12,86,910	12,41,278
Repairs to Others	42,15,683	44,63,894
Insurance	19,02,468	27,69,704
E.C.G.C. Premium	1,46,29,670	1,01,04,688
Legal and Professional Expenses	12,72,555	21,99,322
Auditor's Remuneration	3,60,406	5,74,635
Bank Charges	66,38,082	60,44,203
Interest	6,14,03,218	5,59,76,148
Bad debts written off	51,48,969	2,27,84,547
Communication Cost	46,61,279	50,31,538
Loss on Fixed Assets Sold/Discarded	6,87,374	15,37,724
Directors Remuneration	75,60,736	50,81,901
Travelling and Conveyance	1,77,82,314	1,22,43,808
Subscription and Donation	21,14,713	22,02,517
Packing and Forwarding	1,99,48,064	1,96,05,660
Advertisement and Publicity	1,79,283	1,61,796
Freight and Cartage	7,00,48,627	7,23,72,974
Commission on Sales	3,87,36,298	3,11,79,661
Miscellaneous Expenses	<u>87,47,806</u>	<u>80,11,648</u>
TOTAL	<u>30,90,67,346</u>	<u>30,32,19,803</u>

SUPER TANNERY LIMITED

SCHEDULE - 19 NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. SYSTEM OF ACCOUNTING

The Accounts are prepared on accrual basis under historical cost convention and to comply in all material aspects with applicable accounting principles in India, Accounting Standards notified by the Central Government under The Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

2. INVENTORIES

Stock of raw materials and chemicals are valued at lower of cost (weighted average) or net realizable value. Stores and spares are valued at lower of cost (FIFO basis) or net realisable value. Stock of work in process is valued at estimated cost. Finished goods (including stock in transit or at port) are valued at lower of cost (determined on Direct cost method) or net realizable value. Stock of trading items is valued at lower of cost (weighted average) or net realizable value. Stock of waste and scrap are valued at estimated realizable value. Stock transferred to other divisions of the company is valued at transfer price. Import entitlements/licenses are valued at estimated realizable value.

3. INVESTMENTS

Long term investments are carried at cost and provision, if necessary, being made for decline other than temporary in their value.

4. FIXED ASSETS

Fixed Assets are stated at cost of acquisition together with resultant write up due to revaluation, as the case may be.

5. DEPRECIATION

a. Depreciation on leased out assets, is provided on Straight Line Method over the tenure of lease agreement. Cost of lease hold land is amortized over the period of lease. Intangible assets are written off over a period of ten years under the straight line method of amortization.

b. Depreciation on fixed assets excepting on leased out assets and intangible assets, as stated above, on :

c. Assets acquired and put to use on or upto 31.03.92, is provided on Written Down Value Method as per Schedule XIV to the Companies Act, 1956;

d. Assets acquired and put to use on or after 1st April 1992, is provided on Straight Line Method as per Schedule XIV to the Companies Act, 1956 and

e. Amount attributable to appreciation due to revaluation, is provided on Straight Line Method as per Schedule XIV to the Companies Act, 1956 and equivalent amount is withdrawn from Revaluation Reserve.

6. CAPITAL WORK IN PROGRESS

Capital Work in Progress comprises cost of fixed assets yet to be commissioned and/or in transit, advances for capital expenditure and expenditure during construction period. Expenditure during construction period is allocated to the respective Fixed Assets on completion of the construction period.

7. FOREIGN EXCHANGE TRANSLATION / TRANSACTIONS :

a. The reporting currency of the Company is Indian Rupee.

b. Outstanding foreign currency assets and liabilities other than Investments are translated at the exchange rate prevailing at the Balance Sheet date. Gains or losses on these assets and liabilities relating to the acquisition of fixed assets are adjusted to the cost of such fixed assets and those relating to other accounts are recognized in the Foreign Currency Translation Reserve. Exchange Difference arising as a result of transactions settled during financial year are included in sales.

c. Investments in wholly owned subsidiaries are carried in Balance Sheet at the rates prevailing on the date of transactions.

8. REVENUE RECOGNITION

Sales are recognized in respect of (a) Exports on shipment of consignment; and (b) others on dispatches of consignment from company premises. Sales include excise duty and Sales/Trade tax. Duty Drawback is accounted for on the basis of export sales effected during the year.

9. RETIREMENT BENEFITS

Contributions are made to the Provident Fund and Superannuation Funds on actual liability basis. Provision for gratuity liability is made at the end of the year on the assumption that it is payable to all eligible employees. Provision for leave encashment is made on the basis of total liability of all eligible employees as per the company's scheme.

10. INTANGIBLE ASSETS :

Intangible assets are stated at cost of acquisition less accumulated amortization. The Computer Software purchased during the year is being amortized over a period of six years.

11. EXCISE DUTY

Excise duty is accounted for as and when paid on clearance of goods from bounded premises. No provision is made for excise duty in respect of finished products lying in bounded premises.

12. BORROWING COST

Borrowing costs that are attributable to the acquisition/construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

13. TAXES ON INCOME

Provision for tax on income for the year (i.e. Current Tax) is made after considering the various deductions/relieves admissible under the Income Tax Act, 1961. Provision for tax effect of timing differences between taxable income and accounting income (i.e. Deferred Tax) is made in accordance with the provisions of Accounting Standard 22, "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India.

14. PROVISION, CONTINGENT LIABILITY & CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

15. 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 the 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 the recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

16. Prior period items, if material, are shown separately.

B. NOTES ON ACCOUNTS

1. Estimated amount of contracts remaining to be executed on capital account Rs.250 lacs (Rs. 274 lacs) against which advances have been paid Rs. 120.80 lacs (Rs.111.85 lacs).

2. Contingent liability on account of :

	<u>31st March, 2009</u>	<u>31st March, 2008</u>
a. Foreign Bills negotiated/Purchased with Bankers	1,94,65,835	5,78,55,909
b. Bank Guarantee	15,95,000	13,10,000
c. Electricity Demand Pending litigation	58,60,703	47,75,435

3. Equity Share Capital includes :

5,00,000 Shares of Rs.2/- each allotted as fully paid up pursuant to a contract without the payment being received in cash;

22,50,000 Shares of Rs.2/- each allotted as fully paid up Bonus Shares by capitalization of General Reserve;

29,95,560 Shares of Rs.2/- each allotted as fully paid up pursuant to the Scheme of amalgamation to the erstwhile Share Holders of Super Agro-tech Limited.

153,000 Shares of Rs. 2/- each forfeited and re-issued to the promoters of the company.

1,79,95,560 Shares of Rs. 2/- each allotted as fully paid up Bonus Shares by capitalization of Share Premium Reserve.

4. At the annual general meeting held on 30th September 2008, the shareholders of the company approved issue of Bonus Equity Shares in the ratio 1:1. The record date was fixed by the Board of Directors of the Company on 8th December 2008. Accordingly the shares were credited to the eligible share holders as per record date. Pursuant to the provisions of Accounting Standard - 20 "Earning per Share", figures in respect of Earning per Share for the last year has been disclosed at Restated Value.

5. Working capital Loan from State Bank of India is secured by hypothecation of stocks, Book Debts, plant and machineries and equitable mortgage of Company's land and building and personal guarantee of some of the directors. Term-loan from State Bank of India is secured by equitable Mortgage of Company's Land and Building at Leather Technology Park, Banthar, Unnao and personal guarantee of some of directors. Foreign Currency Loan from State Bank of India, Bahamas is Unsecured, Secured loans-others (Vehicle loan) is secured against hypothecation of respective Vehicles.

6. Rupee Term Loan includes a sum of Rs. 133.44 lacs (Rs. 240 lacs) due for payment within one year and Foreign Currency Loan is due for payment on 18th August 2009.

7. The current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of

SUPER TANNERY LIMITED

business. The provisions for all known liabilities are adequate and not in excess of the amount considered reasonably necessary.

8. Actuarial valuation of Gratuity as required by Accounting Standard 15 "Employee Benefits" issued by the Institute of Chartered Accountants of India has not been done by the Company. However, on 11th June, 2009 the Company has taken a Group Gratuity Scheme from Life Insurance of India.
9. Gross depreciation for the year is Rs. 2,82,52,516 (Rs. 2,42,54,062) out of which Rs. 3,49,769 (Rs. 3,94,435) being depreciation on revalued amount, has been adjusted from Revaluation Reserve. The revaluation of fixed assets was done on 31.03.1992. The gross revaluation increased the value of fixed assets by Rs. 4,93,82,276 which is being depreciated as per accounting policy given in the accounting policy of the depreciation.

10. Advances include	Outstanding as on 31.03.2009 (Rs.)	Maximum Amount outstanding at any time during the year (Rs.)
(a) Due from subsidiary companies	1,03,62,310 (46,01,155)	1,03,62,310 (46,01,155)
(b) Due from a Company in which one of the Director is interested.	1,85,00,000 NIL	1,85,00,000 NIL
11. Sundry Debtors include :		
(a) Due from subsidiary companies	5,57,31,140 (4,82,98,537)	6,92,77,405 (5,33,63,997)
(b) Due from a company in which one of the Director is interested.	3,96,73,551 (1,20,43,391)	3,96,73,551 (1,20,43,391)

12. Sundry Creditors include :

- Rs. 30,05,639 (Rs. 81,44,044) due to a subsidiary company.
- Rs. 2,75,81,997 (Rs. 213,14,486) due to Small Scale Industrial Undertakings (SSI).
- The SSI to whom company owes any sum outstanding for a period exceeding 30 days, as per terms of contract, are listed below. The information has been compiled to the extent it could be identified on the basis of information available with the company:

Abdullah Trading Co.	Avadh Engines & Machines (P) Ltd.
Gopi Engineering & Sons	Excel Packagers
Fibre Leather Pvt. Ltd.	H. M. Plastics
Auchtel Product Ltd.	Gopi Engineering Works
Manjusha Packagers Pvt. Ltd.	K. A. Graphics
Little Craft	Metro Threads Works
R. K. Traders (Parade)	IrfanTanners
Harris Leather Finishers	Rubberage (India)
Swastik Dyes & Moulds	Shanghavi Shoe Accessories
Khanna Brothers	Kisan Trading Corporation
Kumar Rubber Works	M. L. Engineering Works
N. T. C. Leather	R. A. Chemicals
Elegant Fashion Fibre Chemicals Ltd.	Associated Chemicals Pvt. Ltd.
Murari Petrochemical Corporation	Ram Industries and Mill Stores
Yamaan Leather International	Shahzaman Leather Finishers

In the matter of suppliers covered under "Interest on delayed payments to Small Scale & Ancillary Industrial undertaking Act, 1993", no claim have been received from the suppliers with reference to this Act.

13. Pursuant to the exemption under Section 211(4) of the Companies Act, 1956 obtained from Government of India, Ministry of Corporate Affairs, vide order No. 46/210/2009-CL-III dated 4/8/2009 the company is not required to disclose quantitative details of paras 3(i) (a) and 3(ii) (d) of part II of Schedule VI to the Companies Act, 1956.

14. Auditor Remuneration :	2008-2009	2007-2008
	Rs.	Rs.
a) Audit Fee (Including Tax Audit)	2,37,145	2,45,344
b) Taxation and other services	1,23,261	3,29,291
	<u>3,60,408</u>	<u>5,74,635</u>
15. Commission on Sales include :		
a) Sole Selling agents	NIL	NIL
b) Others	3,87,36,298	3,11,79,661
	<u>3,87,36,298</u>	<u>3,11,79,661</u>
16. Directors Remuneration :		
Salary	61,17,796	34,75,629
Commission	12,00,000	14,40,000
Contribution to Provident Fund and Family Pension Fund	2,42,940	1,66,272
Sub - Total	<u>75,60,736</u>	<u>50,81,901</u>
Value of Perquisites as per the Income Tax Rules, 1962	NIL	1,08,000
Grand - Total	<u>75,60,736</u>	<u>51,89,901</u>
A. Computation of net profits in accordance with Section 349 read with Section 309(5) and Section 198 of the Companies Act, 1956 :		
	2008-2009	2007-2008
	Rs.	Rs.
Profit Before Tax as per Profit & Loss Account	7,23,12,629	4,19,70,197
Add : Wealth Tax	1,34,887	1,00,121
Director's Remuneration	75,60,736	50,81,901
Net Profit under Section 198 of the Companies Act, 1956 for calculation of Commission to Directors.	<u>8,00,08,252</u>	<u>4,71,52,219</u>
B. Commission Payable to :		
1. Mr. Itikharul Amin, Managing Director		
a) 1% of the net profit	8,00,082	4,71,522
b) 50% of Annual Salary	9,00,000	7,20,000
c) Subject to maximum (Rs.)	6,00,000	6,00,000
Lower of a,b & c	6,00,000	4,71,522
2. Mr. Iqbal Ahsan, Jt. Managing Director		
a) 1% of the net profit	8,00,082	4,71,522
b) 50% of Annual Salary	9,00,000	7,20,000
c) Subject to maximum (Rs.)	6,00,000	6,00,000
Lower of a,b & c	6,00,000	4,71,522
3. Mr. Veqarul Amin, Jt. Managing Director		
a) 1% of the net profit	8,00,082	4,71,522
b) 50% of Annual Salary	9,00,000	7,20,000
c) Subject to maximum (Rs.)	6,00,000	6,00,000
Lower of a,b & c	6,00,000	4,71,522
17. Certain assets of erstwhile Super Agro-Tech Limited (SATL) acquired pursuant to the scheme of amalgamation sanctioned by Hon'ble High Court of Judicature at Allahabad, included in the books of the company remain under the name of SATL pending completion of the relevant formalities. Likewise, certain land at Banthar, Unnao is lying registered in the name of some of the Directors of the Company.		
18. Advance towards sale of land represents advance money received against land at Dehradun.		
19. The Company's operation predominantly comprises only one segment i.e. leather and leather Products, therefore, Segment Reporting as per Accounting Standard (As-17) issued by the Institute of Chartered Accountants of India is not applicable.		
20. The Company has accounted deferred tax liability i.e. difference of taxable income and accounting income, comprising tax effect of timing difference as under :-		

SUPER TANNERY LIMITED

	31.03.2009 Rs.	31.03.2008 Rs.
Deferred Tax Assets		
Payments covered under Section 43B of the Income Tax Act, 1961	69,17,439	57,90,786
Sub-Total (a)	<u>69,17,439</u>	<u>57,90,786</u>
Deferred Tax Liability		
Excess of Net Block over written down value as per the Provisions of Income Tax Act, 1961.	5,89,19,573	4,78,48,419
Sub-Total (b)	<u>5,89,19,573</u>	<u>4,78,48,419</u>
Net Deferred Tax Liability (b-a)	<u>5,20,02,134</u>	4,20,57,633
Net Increase/(decrease) in Deferred Tax Liability debited/credited to Profit and Loss Account.	<u>98,44,499</u>	

21. Related parties disclosure, as required by Accounting Standard (AS-18), issued by the Institute of Chartered Accountants of India, are given below :

a. List of related parties with whom transactions have taken place during the year:

i. **Key Management Personnel**

Mr. Iftikharul Amin, Mr. Iqbal Ahsan, Mr. Veqarul Amin, Mr. Imran Siddiqui, Mr. Arshad Khan, Mr. Mohd. Imran and Mr. R. S. Singh

ii. **Relatives of Key Management Personnel:**

Mrs. Zahida Begum, Mrs. Sophia Amin, Mrs. Ismat Iqbal, Mrs. Rumana Amin, Mr. Mubasherul Amin, Mr. Umairul Amin, Mr. Tanveerul Amin, Mrs. Farha Fatima, Mrs. Rambha Singh and Mr. Khalid Syeed.

iii. **Entities, Associates and subsidiaries :**

Super Shoes Limited, Aarifi Tanners Limited, Super Tannery (U.K.) Limited, Super Safetywears Ltd., Amin Colonizers & Developers Ltd., Safety Solutions s.r.o., Gentraco India Exim. Ltd. Super Tannery FZE, Banthar Industrial Pollution Control Company and Industrial Infrastructure Services (I) Ltd.

b. Disclosure of related parties transactions :

Nature of Transaction	Key Management Personnel (KMP)	Relatives of KMP	Subsidiaries Entities and Associates
Rent Paid	NIL (NIL)	NIL (1,80,000)	2,62,000 (3,96,000)
Remuneration (Including value of perquisites as per Income Tax rules):	78,09,586 (54,22,686)	7,91,915 (1,05,487)	NIL (NIL)
Purchase of Goods/ Service Contract	NIL (NIL)	NIL (NIL)	2,31,09,919 (4,67,48,103)
Sale of Goods/ Service Contract	NIL (NIL)	NIL (NIL)	10,18,13,029 (7,84,24,288)
Advance to Subsidiary	NIL (NIL)	NIL (NIL)	61,78,426 (43,11,646)
Investments	NIL (NIL)	NIL (NIL)	29,35,153 (62,45,127)
Dividend Paid	11,76,379 (11,36,390)	9,17,065 (7,58,920)	NIL (NIL)
c. Amount due to/from related parties :			
Trade Receivables	NIL (NIL)	NIL (NIL)	9,54,08,646 (6,05,47,122)
Trade Payables	NIL (NIL)	NIL (NIL)	31,33,582 (89,13,718)
Loans and Advances	NIL (NIL)	NIL (NIL)	2,88,62,310 (49,94,661)
Investments	NIL (NIL)	NIL (NIL)	1,79,47,948 (1,45,79,144)

Note : No amount pertaining to related parties have been written off or provided for as doubtful assets during the year.

22. ADDITIONAL INFORMATION

a. Pursuant to Clause 3 and 4C and 4D of Part II of Schedule VI to the Companies Act, 1956. (As certified by the management)

Class of goods	Unit	Licensed Capacity	Installed Capacity	Production Quantity
Leather Sole	Hides	Not applicable	1,20,000 (1,20,000)	72,280 (80,053)
Leather Chrome	Hides	Not applicable	2,50,000 (2,50,000)	2,69,745 (3,63,016.5)
Goat Skins	Skins	Not applicable	15,00,000 (15,00,000)	24,28,563 (27,62,386)
Leather Shoe Uppers	Pairs	10,00,000	10,00,000 (10,00,000)	15,10,621.5 (12,19,690)
Leather Full Shoe	Pairs	7,20,000	7,20,000 (7,20,000)	1,54,825.5 (1,91,706)
Leather Safety Shoes	Pairs	5,00,000	5,00,000 (5,00,000)	3,24,849 (3,09,086)

b. Raw Materials Consumed :

Raw Materials	Unit	Quantity	Value (Rs.)
Raw Hide for Sole	Hide	47,237 (70,960)	4,86,28,261 (9,42,76,886)
Goat Skins	Skin	22,89,803 (26,13,535)	21,32,62,160 (25,30,13,475)
Raw Hide for Chrome	Hide	2,30,704 (2,65,878)	19,13,48,168 (27,11,48,739)
Wet Blue leather (Chrome)	Hide	71,265 (83,023.5)	6,87,12,482 (3,82,56,214)
Wet Blue leather (Goat skin)	Skin	58,095 (94,664)	72,24,809 (1,08,45,581)
Half Tanned Sole leather	Hide	14,238.00 (20,871.5)	2,10,38,376 (3,39,44,986)
Uppers for Safety Shoes	Pairs	5,53,476 (4,73,962)	17,85,92,347 (12,79,69,740)
Finished Leather for Shoe Uppers and Shoes.	Sq. Dcm.	8,10,62,539 (6,37,18,684)	28,69,98,657 (26,32,58,021)
Others			8,81,28,648 (14,45,07,009)
TOTAL			1,10,39,33,908 (1,23,72,20,651)

c. Consumption

	Raw Materials		Chemicals, Stores & Spares	
	Value (Rs.)	%	Value (Rs.)	%
Imported	14,94,03,203 (10,38,30,987)	13.53 (8.39)	10,84,62,659 (10,16,71,849)	23.68 (23.92)
Indigenous	95,45,30,704 (1,13,33,89,664)	86.47 (91.61)	34,95,89,569 (32,33,13,208)	76.32 (76.08)
TOTAL	1,10,39,33,907 (1,23,72,20,651)		45,80,52,228 (42,49,85,057)	

Note : 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.

SUPER TANNERY LIMITED

d. Expenditure in Foreign Currency		
For Travelling	78,25,436	(36,20,657)
For Others	4,05,66,650	(3,39,79,889)
e. Remittance during the year in Foreign Exchange on account of :		
Dividend	Rs. NIL	(Rs. NIL)
f. Earning in Foreign Exchange		
Export of Goods calculated on FOB basis	1,54,90,44,665	(1,52,70,87,308)
g. CIF Value of Imports		
A. Raw Materials	5,24,58,193	(6,62,18,232)
B. Finished Goods	3,11,54,168	(20,29,121)
C. Semi Processed Materials	5,03,10,473	(2,76,24,962)
D. Chemicals, Stores & Spares	9,64,30,549	(9,47,60,590)
E. Capital Goods	4,64,40,762	(79,46,654)
	<u>27,67,94,145</u>	<u>(19,85,79,559)</u>

23. In the absence of the Notification in the Official Gazette of the Central Government of India, the cess payable under Section 441A has not been paid / provided. The payment of cess shall be made in accordance with the Notification, as and when issued by the Central Government of India in its Official Gazette.
24. During the year under consideration no borrowing cost has been capitalized by the company in accordance with the Accounting Standard 16. 'Borrowing Cost' issued by the Institute of Chartered Accountants of India.
25. Interest includes Rs. 54,24,084 (Rs. 82,53,092) being interest on fixed period loans.
26. Sales include Rs. 2,05,54,707 on account of exchange fluctuation of export sales made and realised during the year.
27. Figures in brackets pertain to previous year.
28. The figures of the previous year have been regrouped / rearranged wherever necessary in order to make them comparable with the figures of the current year.
29. Figures have been rounded off to the nearest rupee.
30. Information pursuant to provisions of Part IV of Schedule VI of the Companies Act, 1956, is attached.

Signature to Schedule 1 to 19

For **KAPOOR TANDON & CO.**

Chartered Accountants

(HIMANSHU KAPOOR)
PARTNER

For and on behalf of the BOARD

R. K. AWASTHI
Company Secretary

R. S. SINGH
G.M. (Finance) & CFO

IQBAL AHASAN
Jt. Managing Director

MOHD. IMRAN
Whole-time Director

Place : Kanpur

Dated : 04.08.2009

	As at 31st March 2009 (Rs. in Thousands)	As at 31st March 2008 (Rs. in Thousands)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax	72,313	41,970
<i>Adjusted for :</i>		
Depreciation	28,253	23,860
Interest Paid	61,403	55,976
Interest Received	(798)	(1,304)
Exchange fluctuation	(23,703)	1,784
Bad Debts written off	5,149	22,785
Gratuity Payable	(911)	1,728
Profit on sale of Fixed Assets	(159)	(290)
Loss on Sale of Fixed Assets	<u>687</u>	<u>1,538</u>
Operating Profit before Working Capital changes	<u>1,42,234</u>	<u>1,48,047</u>
<i>Adjusted for :</i>		
Trade and other Receivables	(60,105)	(93,826)
Inventories	85,709	(33,247)
Trade and Other Payables	<u>(1,08,263)</u>	<u>44,546</u>
Cash Generation from operation	<u>59,575</u>	<u>65,520</u>
Interest Paid (Net)	(55,181)	(46,419)
Direct Taxes Paid (Net of refund)	<u>(12,649)</u>	<u>(12,017)</u>
Net Cash Flow from Operating Activities (A)	<u>(8,255)</u>	<u>7,084</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (Including CWIP)	(99,450)	(58,751)
Sale of Fixed Assets	1,042	3,372
Investment in subsidiary company	(2,500)	(6,643)
Increase in Non-trade investment	(240)	(354)
NET CASH USED IN INVESTING ACTIVITIES (B)	<u>(1,01,148)</u>	<u>(62,376)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Paid up share capital/share premium account	0	1,429
Working Capital	1,22,602	1,06,407
Long Term Borrowings	50	594
Repayment of Loan	(24,357)	(24,118)
Interest Paid	(5,424)	(8,253)
Dividend Paid	<u>(3,852)</u>	<u>(3,620)</u>
Net Cash Flow from Financing Activities (C)	<u>89,019</u>	<u>72,439</u>
D. NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(20,384)	17,147
Cash and cash equivalents (Opening Balance)	62,265	45,118
Cash and cash equivalents (Closing Balance)	41,881	62,265

NOTE :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Purchase of Fixed Assets includes movements of Capital work in Progress between the beginning and end of the year.

For **KAPOOR TANDON & CO.**
Chartered Accountants

For and on behalf of the BOARD

(HIMANSHU KAPOOR)
PARTNER

MOHD. IMRAN
Whole-time Director

IQBAL AHSAN
Jt. Managing Director

Place : Kanpur
Dated : 04.08.2009

R. K. AWASTHI
Company Secretary

R. S. SINGH
G.M.(Finance) & CFO

AUDITOR'S CERTIFICATE

We have examined the above Cash Flow statement of SUPER TANNERY LIMITED for the year ended 31st March, 2009. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreements with the Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated 4th August, 2009 to the members of the Company.

For **KAPOOR TANDON & Co.,**
Chartered Accountants
(HIMANSHU KAPOOR)
Partner

Place : Kanpur
Dated : 04.08.2009

SUPER TANNERY LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (Information pursuant to Part IV of Schedule VI of the Companies Act, 1956) (Amount in Rs. Thousands)

I. Registration Details

Registration No.
[][][][][][] 6 4 2 1

State Code
[][][][][][] 2 0

Balance Sheet Date
3 1 - 0 3 - 2 0 0 9

II. Capital Raised during the year

Public Issue
[][][] N I L [][][][]

Rights Issue
[][][] N I L [][][][]

Bonus Issue
[][][][] 3 5 9 9 1

Private Placement
[][][] N I L [][][][]

III. Position of Mobilisation and Deployment of Funds

Sources of Funds
Total Liabilities
[][][] 1 2 5 0 6 5 0

Total Assets
[][][] 1 2 5 0 6 5 0

Paid-up Capital
[][][][] 7 1 9 8 2

Reserve and Surplus
[][][][] 3 7 5 3 0 8

Secured Loans
[][][][] 7 5 1 3 5 8

Unsecured Loans
[][][] N I L [][][][]

Application of Funds
Deferred Tax Liability
[][][][] 5 2 0 0 2

Net Fixed Assets
[][][][] 4 9 9 1 8 3

Investments
[][][][] 1 8 6 7 5

Net Current Assets
[][][][] 7 3 2 7 9 2

Miscellaneous Expenditure
[][][] N I L [][][][]

Accumulated Losses
[][][] N I L [][][][]

IV. Performance of the Company

Total Income
[][][] 2 2 5 6 5 2 4

Total Expenditure
[][][] 2 1 8 4 2 1 1

Profit before Tax
[][][][] 7 2 3 1 3

Profit after Tax
[][][][] 5 1 4 6 8

Earning per Share (in Rs. Ps.)
[][][][] 1 = 4 3

Dividend Rate %
[][][] N I L [][][][]

V. Generic Names of Three Principal Products of the Company (as per monetary terms)

Item Code No. 4 1 0 1 2 2 - 0 2

Product Description FINISHED LEATHER

Item Code No. 6 4 0 6 1 0 - 0 2

Product Description SHOE UPPER

Item Code No. 6 4 0 5 1 0 - 0 0

Product Description FULL SHOE

**AUDITORS' REPORT TO THE BOARD OF DIRECTORS
OF
SUPER TANNERY LIMITED**

We have audited the attached consolidated Balance Sheet of Super Tannery Limited and its subsidiaries (the Group) as at 31st March 2009, and also the consolidated Profit and Loss account and the consolidated cash flow statement for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of Super Tannery Limited's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respect, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In respect of 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 the other auditors. The details of assets and revenues in respect of the subsidiaries are given below.

Name of the Companies	Total assets	Total revenues
i) Super Tannery (U.K.) Limited	£ 6,85,853	£ 6,43,238
ii) Super Safetywears Limited	Rs. 3,42,696	NIL
iii) Aarifi Tanners Limited	Rs. 1,52,14,375	Rs. 2,11,08,800
iv) Safety Solutions s.r.o.	€ 1,78,622	€ 46,617

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirement of Accounting Standard 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Super Tannery Limited and its subsidiaries, included in the consolidated financial statements.

On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of Super Tannery Limited and its aforesaid subsidiaries. In our opinion, the consolidated financial statements 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 Super Tannery Limited and its subsidiaries as at 31st March, 2009,
- b. in the case of the Consolidated Profit and Loss account, of the consolidated result of operations of Super Tannery Limited and its subsidiaries for the year ended of that date, and
- c. in the case of the Consolidated Cash Flow statement, of the consolidated cash flows of Super Tannery Limited and its subsidiaries for the year ended on that date.

For **KAPOOR TANDON & Co.,**
Chartered Accountants
(HIMANSHU KAPOOR)
Partner
Membership No. 078180

Place : Kanpur
Dated : 04.08.2009

SUPER TANNERY LIMITED

Consolidated Balance Sheet as at 31st March, 2009

Particulars	Sch. No.	As at	
		31.03.2009 Rs.	31.03.2008 Rs.
I. SOURCES OF FUNDS			
1. Share Holders' Fund			
Capital	1	7,19,82,240	3,59,91,120
Reserves and Surplus	2	<u>37,44,14,347</u>	<u>36,70,41,337</u>
2. Minority Interest		25,60,340	25,60,340
3. Loan Funds			
Secured Loans	3	75,13,57,468	66,14,08,561
4. Deferred Tax Liability		5,21,10,843	4,21,57,634
(See Note No. C-10, Schedule -20)			
TOTAL		<u>1,25,24,25,238</u>	<u>1,10,91,58,992</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	4	76,84,01,556	66,42,92,007
Less : Depreciation		<u>24,83,22,345</u>	<u>21,93,60,068</u>
Net Block		<u>52,00,79,211</u>	<u>44,49,31,939</u>
Capital Work in Progress		<u>1,21,11,562</u>	<u>1,57,51,909</u>
		53,21,90,773	46,06,83,848
2. Investments			
	5	13,33,450	9,20,650
3. Current Assets, Loans and Advances			
Inventories	6	57,56,89,919	66,34,59,778
Sundry Debtors	7	39,49,79,555	34,20,51,452
Cash and Bank Balances	8	5,03,01,814	6,29,50,216
Loans and Advances	9	6,52,91,158	4,06,52,292
Other Current Assets	10	<u>4,49,21,909</u>	<u>5,35,08,943</u>
TOTAL 'A'		<u>1,13,11,84,355</u>	<u>1,16,26,22,681</u>
Less : Current Liabilities and Provisions			
Liabilities	11	39,31,62,449	49,18,04,133
Provisions	12	<u>1,94,22,710</u>	<u>2,34,36,377</u>
TOTAL 'B'		<u>41,25,85,159</u>	<u>51,52,40,510</u>
Net Current Assets (A-B)		71,85,99,196	64,73,82,171
4. Miscellaneous Expenditure	13	3,01,819	1,72,323
(To the extent not written off or adjusted)			
TOTAL		<u>1,25,24,25,238</u>	<u>1,10,91,58,992</u>

NOTES ON ACCOUNTS 20

Schedules referred to above form an integral part of Balance Sheet.
As per our report of even date attached.

For KAPOOR TANDON & CO.
Chartered Accountants

(HIMANSHU KAPOOR)
PARTNER

R.K. AWASTHI
Company Secretary

IQBAL AHSAN
Jt. Managing Director

R. S. SINGH
G.M.(Finance) & CFO

MOHD. IMRAN
Whole-time Director

For and on behalf of the BOARD

Place : Kanpur
Dated : 04.08.2009

Consolidated Profit and Loss Account for the Year ended 31st March, 2009

Particulars	Sch. No.	2008-2009 Rs.	2007-2008 Rs.
I. INCOME			
Income from operations	14	2,34,07,64,025	2,33,24,01,832
Other Income	15	26,23,816	37,13,738
Increase/(Decrease) in stocks	16	(8,40,04,086)	3,88,45,753
TOTAL 'A'		2,25,93,83,756	2,37,49,61,323
II. EXPENDITURE			
Materials Consumed	17	1,70,15,26,431	1,85,27,16,515
Manufacturing Expenses	18	13,75,96,130	13,15,35,783
Administrative and Selling Expenses	19	32,43,32,612	32,35,09,582
Depreciation on Fixed Assets		2,93,27,174	2,43,59,699
TOTAL 'B'		2,19,27,82,347	2,33,21,21,579
III. PROFIT			
Profit Before Tax		6,66,01,407	4,28,39,743
Provision for Taxation			
– Current Tax		1,10,07,417	1,01,88,410
– Deferred Tax		99,53,209	38,30,930
Profit After Tax		4,56,40,781	2,88,20,403
Income Tax relating to Earlier Years		(19,26,882)	(29,68,390)
Balance brought forward from previous year		66,69,615	1,50,28,384
Profit Available for Appropriations		5,03,83,515	4,08,80,397
IV. APPROPRIATIONS/TRANSFERS			
Proposed Dividend		--	35,99,112
Provision for Tax on Proposed Dividend		--	6,11,670
Transferred to General Reserve		5,00,00,000	3,00,00,000
Surplus Carried to Balance Sheet		3,83,515	66,69,615
		5,03,83,515	4,08,80,397
V. EARNING PER SHARE			
Net Profit		4,56,40,781	2,88,20,403
Weighted Average No. of Equity Shares		3,59,91,120	1,79,95,560
Basic & Diluted Earning per Share		1.43	1.60
Restated Earning per Share (Nominal Value Rs. 2/- per Share)		--	0.80

NOTES ON ACCOUNTS 20

Schedules referred to above form an integral part of Balance Sheet

As per our report of even date attached.

For **KAPOOR TANDON & CO.**

Chartered Accountants

(HIMANSHU KAPOOR)
PARTNER

R.K. AWASTHI
Company Secretary

IQBAL AHSAN
Jt. Managing Director

R. S. SINGH
G.M. (Finance) & CFO

MOHD. IMRAN
Whole-time Director

For and on behalf of the BOARD

Place : Kanpur

Dated : 04.08.2009

SUPER TANNERY LIMITED

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
5,00,00,000 Equity Shares of Rs. 2/- each	<u>10,00,00,000</u>	<u>10,00,00,000</u>
ISSUED AND SUBSCRIBED		
1,79,95,560 Equity Shares of Rs. 2/- each fully paid	3,59,91,120	3,59,91,120
Add:-1,79,95,560 Bonus equity shares issued by capitalisation of share premium account	<u>3,59,91,120</u>	<u>7,19,82,240</u>
TOTAL :	<u>7,19,82,240</u>	<u>3,59,91,120</u>
SCHEDULE - 2		
RESERVES AND SURPLUS		
Capital Reserve		
Balance as per Last Account	17,67,180	17,67,180
Capital Subsidy under Tannery Modernisation Scheme	85,00,256	85,00,256
Share Premium Account		
Balance as per Last Account	9,90,00,000	9,90,00,000
Less : transfer to share capital account	<u>3,59,91,120</u>	<u>6,30,08,880</u>
Revaluation Reserve		
Balance as per Last Account	2,11,04,285	2,14,98,721
Less : transfer to Profit & Loss Account	<u>3,49,769</u>	<u>2,07,54,516</u>
		<u>3,94,436</u>
		2,11,04,285
General Reserve		
Balance as per last account	23,00,00,000	20,00,00,000
Add : transfer from Profit & Loss Account	<u>5,00,00,000</u>	<u>28,00,00,000</u>
		<u>3,00,00,000</u>
		23,00,00,000
Profit and Loss Account		
As per account annexed	3,83,515	66,69,615
TOTAL :	<u>37,44,14,347</u>	<u>36,70,41,336</u>
SCHEDULE - 3		
SECURED LOANS		
WORKING CAPITAL LOANS FROM BANK		
STATE BANK OF INDIA		
a) Cash Credit	73,07,923	3,05,67,093
b) Packing Credit	66,37,92,469	55,58,88,992
c) Advance against bill under collection (Refer Note No. C-5, Schedule-20)	3,38,62,000	--
RUPEE TERM-LOAN FROM BANK		
STATE BANK OF INDIA (Refer Note No. C-5 & 6, Schedule - 20)	1,81,00,199	4,24,56,840
FOREIGN CURRENCY LOAN (BAHAMAS)		
STATE BANK OF INDIA (Refer Note No. C-5 & 6, Schedule-20)	2,70,29,850	3,12,81,038
SECURED LOAN - OTHERS (INR)		
Vehicle loan from HDFC Bank Limited (Refer Note No. C-5 & 6, Schedule - 20)	12,65,027	12,14,598
TOTAL :	<u>75,13,57,468</u>	<u>66,14,08,561</u>

**SCHEDULE - 4
FIXED ASSETS**

(Amount in Rupees)

	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	AS AT 01.04.2008	ADDITIONS	SALES/AD- JUSTMENT	AS AT 31.03.2009	UPTO 31.03.2008	FOR THE YEAR	ADJUST- MENTS	UPTO 31.03.2009	AS ON 31.03.2009	AS ON 31.03.2008
LAND-FREEHOLD	3,34,63,557	29,63,863	2,31,300	3,61,96,120	0	0	0	0	3,61,96,120	3,34,63,557
LAND-LEASEHOLD	73,59,349	-	-	73,59,349	3,37,758	4,08,887	0	7,46,645	66,12,704	70,21,591
BUILDING	12,56,13,197	2,10,77,773	-	14,66,90,970	2,95,17,345	35,04,541	0	3,30,21,886	11,36,69,084	9,60,95,852
PLANT & MACHINERY	45,36,94,608	7,29,91,766	1,14,727	52,65,71,647	17,15,18,062	2,22,47,596	79,804	19,36,85,854	33,28,85,793	28,21,76,546
FURNITURE & FIXTURE	56,23,708	11,55,693	0	67,79,401	40,51,850	5,10,087	0	45,61,937	22,17,464	15,71,858
VEHICLES	2,72,59,917	81,98,703	19,32,222	3,35,26,398	71,65,379	30,05,832	6,34,862	95,36,349	2,39,90,049	2,00,94,538
MACHINERIES LET OUT ON LEASE	49,14,706	-	-	49,14,706	48,16,411	0	0	48,16,411	98,295	98,295
VEHICLES LET OUT ON LEASE	19,93,125	-	-	19,93,125	19,53,263	0	0	19,53,263	39,862	39,862
GOODWILL	43,69,840	-	-	43,69,840	0	0	0	0	43,69,840	43,69,840
TOTAL	66,42,92,007	10,63,87,798	22,78,249	76,84,01,556	21,93,60,068	2,96,76,943	7,14,666	24,83,22,345	52,00,79,211	44,49,31,939
CAPITAL WORK IN PROGRESS									1,21,11,562	1,57,51,909
TOTAL									53,21,90,773	46,06,83,848
PREVIOUS YEAR	58,35,23,408	8,74,45,263	66,76,664	66,42,92,007	19,66,63,191	2,47,54,134	20,57,259	21,93,60,068	44,49,31,939	

Note : Sales/adjustment column in Gross Block includes adjustment on account of revaluation of fixed assets held in foreign currency as per Accounting Standard 11 issued by the Institute of Chartered Accountant.

SUPER TANNERY LIMITED

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE - 5		
INVESTMENTS (LONG-TERM)		
(At cost, unless otherwise specified)		
(i) QUOTED (Non Trade)		
SUPERHOUSE LIMITED 5,200 Equity Share of Rs. 10/- each fully paid	52,000	52,000
(ii) UN-QUOTED (Non Trade)		
SUPER HOUSE OVERSEAS LIMITED 25,000 Equity Shares of Rs. 10/- each fully paid	50,000	50,000
AL-BARR FINANCE HOUSE LIMITED 30,000 Equity of Share of Rs. 10/- each fully paid	3,00,000	3,00,000
SVIT PRONEXT MACHINES PRIVATE LIMITED 8,500 Equity Share of Rs. 10/- each fully paid	85,000	85,000
INDUSTRIAL INFRASTRUCTURE SERVICES (INDIA) LIMITED 52,645 (35,365) Equity Share of Rs. 10/- each fully paid	5,26,450	3,53,650
KANPUR UNNAO LEATHER CLUSTER DEVELOPMENT CO. LTD. 24,000 Equity Shares of Rs. 10/- each fully paid	2,40,000	--
BANTHAR INDUSTRIAL POLLUTION CONTROL COMPANY 8,000 Equity Share of Rs. 10/- each fully paid	80,000	80,000
TOTAL :	<u>13,33,450</u>	<u>9,20,650</u>
Aggregate value of Quoted Investments	52,000	52,000
Aggregate value of Un-quoted Investments	12,81,450	8,68,650
TOTAL :	<u>13,33,450</u>	<u>9,20,650</u>
Total Market Value of Quoted Investments	<u>1,34,160</u>	<u>1,45,600</u>

SCHEDULE - 6

INVENTORIES

(as taken, valued and certified by the management)

Raw Materials	7,52,43,012	8,37,36,715
Chemicals, Stores and Spares	9,17,44,349	8,70,16,419
Work in Process	23,13,28,409	30,45,21,116
Finished Goods (including trading items)	17,53,03,274	18,13,89,423
Waste and Scrap	20,70,875	67,96,105
TOTAL :	<u>57,56,89,919</u>	<u>66,34,59,778</u>

SCHEDULE - 7

SUNDRY DEBTORS (UNSECURED)

(i) Debts Outstanding for a period exceeding six months :			
Considered good	8,11,55,023		6,86,54,941
Considered Doubtful	21,99,490	21,99,490	
Less : Provision for Bad & Doubtful debts	<u>21,99,490</u>	--	<u>21,99,490</u>
(ii) Other debts (considered good)			
	<u>31,38,24,532</u>		<u>27,33,96,511</u>
TOTAL :	<u>39,49,79,555</u>		<u>34,20,51,452</u>

	As at 31.03.2009 ^o Rs.	As at 31.03.2008 Rs.
SCHEDULE - 8		
CASH AND BANK BALANCES		
Cash in Hand	23,02,073	47,43,069
Cheques in Hand	1,20,12,589	90,23,325
Balances with Scheduled Banks		
i. in Current Account	1,18,69,518	1,74,09,385
ii. in Term Deposit Account	1,71,90,412	2,96,27,670
iii. in EEFC Account	48,95,705	88,566
iii. in Unpaid Dividend Account	20,31,517	20,58,201
TOTAL :	<u>5,03,01,814</u>	<u>6,29,50,216</u>
SCHEDULE - 9		
LOANS & ADVANCES		
(Unsecured Considered good)		
Unsecured loan to a company under the same management	1,85,00,000	--
Advance Income Tax (including Fringe Benefit Tax)	90,66,387	84,86,786
Advances recoverable in cash or in kind or for value to be received	3,48,58,175	3,05,23,909
Security Deposits	25,06,596	16,41,597
Share Application Money (pending allotment)	3,60,000	--
TOTAL :	<u>6,52,91,158</u>	<u>4,06,52,292</u>
SCHEDULE - 10		
OTHER CURRENT ASSETS		
Duty Draw Back Receivable	2,25,79,926	4,61,41,389
Other Current Assets	2,23,41,983	73,67,554
TOTAL :	<u>4,49,21,909</u>	<u>5,35,08,943</u>
SCHEDULE - 11		
LIABILITIES		
Sundry Creditors	23,14,62,982	34,80,88,165
Advances from Customers	1,08,15,174	1,14,49,832
Other Liabilities	7,96,84,587	6,48,69,738
Advance towards sale of land	2,93,10,000	2,93,10,000
Sundry creditors for fixed assets	39,34,614	--
Unpaid Dividend	20,31,517	22,84,101
Book Overdraft from Bank	3,59,13,575	3,58,02,297
Security Deposits	10,000	--
TOTAL :	<u>39,31,62,449</u>	<u>49,18,04,133</u>
SCHEDULE - 12		
PROVISIONS		
Provision for Tax (including fringe benefit tax)	1,10,07,417	98,99,834
Provision for Tax on Proposed Dividend	--	6,11,670
Proposed Dividend	--	35,99,112
Provision for Gratuity	84,15,293	93,25,761
TOTAL :	<u>1,94,22,710</u>	<u>2,34,36,377</u>

SUPER TANNERY LIMITED

	As at 31.03.2009	As at 31.03.2008
SCHEDULE - 13		
MISCELLANEOUS EXPENDITURE		
PRELIMINARY EXPENSES (to the extent not written off or adjusted)	3,01,819	1,72,323
TOTAL :	<u>3,01,819</u>	<u>1,72,323</u>
	2008-2009 Rs.	2007-2008 Rs.
SCHEDULE - 14		
INCOME FROM OPERATIONS		
Sales - Export	1,59,25,63,287	1,58,67,99,635
Sales - Others	28,31,85,331	35,16,86,801
Duty Draw Back	8,68,84,361	11,15,42,197
Premium on Sale of Import Licence	3,26,52,453	3,13,67,120
Exchange Fluctuation	2,50,90,212	(18,62,522)
Inter Division Transfer (as per contra - Schedule - 17)	32,04,52,123	25,45,15,404
TOTAL :	<u>2,34,08,27,767</u>	<u>2,33,40,48,635</u>
Less :		
Excise Duty	63,742	36,512
Sales/Trade Tax	-	16,10,291
TOTAL :	<u>63,742</u>	<u>16,46,803</u>
	<u>2,34,07,64,025</u>	<u>2,33,24,01,832</u>
SCHEDULE - 15		
OTHER INCOME		
Interest (including tax deducted at Source)	7,99,274	13,06,749
Profit on sale of fixed assets	1,58,792	2,90,191
Miscellaneous Income	16,65,750	21,16,798
TOTAL :	<u>26,23,816</u>	<u>37,13,738</u>
SCHEDULE - 16		
INCREASE/(DECREASE) IN STOCKS OF FINISHED GOODS AND WORK IN PROCESS STOCK AT COMMENCEMENT		
Finished Goods	17,26,97,423	11,06,09,775
Work in Process	30,45,21,116	33,44,83,326
Trading Items	86,92,000	52,02,500
Stock of Waste & Scrap	67,96,105	35,65,290
TOTAL :	<u>49,27,06,644</u>	<u>45,38,60,891</u>
STOCK AT CLOSE		
Finished Goods	16,73,47,557	17,26,97,423
Work in Process	23,13,28,409	30,45,21,116
Trading Items	79,55,717	86,92,000
Stock of Waste & Scrap	20,70,875	67,96,105
TOTAL :	<u>40,87,02,558</u>	<u>49,27,06,644</u>
INCREASE/(DECREASE) IN STOCKS	<u>(8,40,04,086)</u>	<u>3,88,45,753</u>

	2008-2009 Rs.	2007-2008 Rs.
SCHEDULE - 17		
MATERIALS CONSUMED		
Opening Stock	8,37,36,715	10,07,62,990
<i>Add :</i>		
i. Purchase (Including expenses on purchases)	76,28,85,056	95,60,63,847
ii. Inter Division Transfers (As per contra Schedule - 14)	<u>32,04,52,123</u>	<u>1,21,05,79,251</u>
	1,08,33,37,179	1,31,13,42,241
	1,16,70,73,894	1,31,13,42,241
<i>Less : i. Closing Stock</i>	<u>7,52,43,012</u>	<u>8,37,36,715</u>
Consumption of Materials	1,09,18,30,882	1,22,76,05,526
Consumption of Chemicals	34,60,20,431	32,50,08,479
Consumption of Stores and Spares	11,60,33,322	10,22,13,893
Purchase of Finished Goods	14,76,41,796	19,78,88,617
TOTAL :	<u>1,70,15,26,431</u>	<u>1,85,27,16,515</u>

SCHEDULE - 18
MANUFACTURING EXPENSES

Wages & Bonus (including Job charges)	7,65,74,198	7,34,70,653
Power and Fuel	5,25,89,812	4,93,72,964
Repairs to Machinery	65,98,992	66,49,873
Pollution Control Expenses	18,33,128	20,42,293
TOTAL :	<u>13,75,96,130</u>	<u>13,15,35,783</u>

SUPER TANNERY LIMITED

	2008-2009 Rs.	2007-2008 Rs.
SCHEDULE - 19		
ADMINISTRATIVE AND SELLING EXPENSES		
Salary and Bonus	2,67,44,900	2,26,41,382
Contribution to Provident and Other funds	52,03,513	70,48,268
Workmen and Staff Welfare Expenses	33,87,509	39,37,232
Rent	23,13,220	17,26,578
Rates and Taxes	84,74,210	62,13,064
Repairs to Building	12,92,010	12,41,278
Repairs to Others	42,68,765	53,40,172
Insurance	22,99,102	29,75,774
E.C.G.C. Premium	1,46,29,670	1,01,04,688
Legal and Professional Expenses	14,33,201	23,29,820
Auditor's Remuneration	5,50,604	7,67,578
Bank Charges	75,02,234	66,32,684
Interest	6,17,75,413	5,68,77,461
Bad Debts written off	51,48,969	2,27,84,547
Communication Cost	47,93,410	50,78,761
Loss on Fixed Assets Sold/Discarded	6,94,265	15,37,724
Directors Remuneration	78,00,736	53,21,901
Travelling and Conveyance	1,81,50,852	1,23,81,813
Subscription and Donation	21,65,713	22,57,954
Packing and Forwarding	1,99,48,064	1,96,05,660
Advertisement and Publicity	4,63,621	1,81,785
Freight and Cartage	7,50,77,067	7,78,19,233
Commission on Sales	4,11,17,862	4,06,35,221
Miscellaneous Expenses	90,97,703	80,69,004
TOTAL :	<u>32,43,32,612</u>	<u>32,35,09,582</u>

SCHEDULE - 20
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A. BASIS OF CONSOLIDATION

- (i) The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as of the company i.e. year ended 31st March, 2009.
- (ii) The Consolidated financial statements have been prepared in accordance with the Accounting Standard-21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- (iii) 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. The intragroup balances and intragroup transactions are eliminated except unrealized profit or loss on closing stock. The subsidiaries have been treated as integral to the business of the company.
- (iv) Minority interest in the net assets of the consolidated financial statements consists of amount of equity attributable to the minority members of the subsidiaries.
- (v) The subsidiaries (which along with Super Tannery Limited, the parent, constitute the group) considered in the preparation of these consolidated financial statements

Name of the Subsidiary	Country of Incorporation	Percentage of Ownership/ Interest as at 31st March, 2009
Super Safetywears Limited	India	98.60%
Super Tannery (U.K.) Limited	United Kingdom	100.00%
Aarifi Tanners Limited	India	82.51%
Safety Solutions s.r.o.	Slovak Republic	100.00%

B. SIGNIFICANT ACCOUNTING POLICIES

These are set out in the "Notes on Accounts" of the financial statement of the respective subsidiaries.

C. NOTES ON ACCOUNTS

1. Estimated amount of contracts remaining to be executed on capital account Rs. 250 lacs (Rs. 274 lacs) against which advances have been paid Rs. 120.80 lacs (Rs. 111.85 lacs).

	As at 31.03.2009	As at 31.03.2008
2. Contingent liability on account of :		
a. Foreign Bills negotiated/Purchased with Bankers	Rs. 1,94,65,835	(Rs.5,78,55,909)
b. Bank Guarantee	Rs. 15,95,000	(Rs. 13,10,000)
c. Electricity Demand Pending litigation	Rs. 58,60,703	(Rs. 47,75,435)
d. Entry Tax Demand Pending litigation	Unascertainable	Unascertainable

3. Equity Share Capital includes :
 - (a) 5,00,000 Shares of Rs. 2/- each allotted as fully paid up pursuant to a contract without the payment being received in cash;
 - (b) 22,50,000 Shares of Rs. 2/- each allotted as fully paid up Bonus Shares by capitalisation of General Reserve;
 - (c) 29,95,580 Shares of Rs. 2/- each allotted as fully paid up pursuant to the Sacheme of amalgamation to the erstwhile Share Holders of Super Agro-tech Limited.
 - (d) 1,53,000 Shares of Rs. 2/- each forfeited and re-issued to the promoters of the company.
 - (e) 1,79,95,560 Shares of Rs. 2/- each allotted as fully paid up Bonus Shares by capitalization of Share Premium Reserve.

SUPER TANNERY LIMITED

4. At the annual general meeting held on 30th September 2008, the shareholders of the company approved issue of Bonus Equity shares in the ratio of 1:1. The record date was fixed by the Board of Directors of the company on 8th December 2008. Accordingly, the shares were credited to the eligible share holders as per record date.
5. Working capital loan from State Bank of India is secured by hypothecation of stocks, Book Debts, plant and machineries and equitable mortgage of Company's land and building and personal guarantee of some of the Directors. Term-loan from State Bank of India is secured by equitable mortgage of Company's land and building personal guarantee of some of the directors. Foreign Currency Loan from State Bank of India, Bahamas is unsecured. Secured loans-others (Vehicle loan) is secured against hypothecation of respective vehicles.
6. Rupee Term Loan includes a sum of Rs. 133.44 lacs (Rs. 240 lacs) due for payment within one year and Foreign Currency Loan is due for payment on 18th August 2009.
7. The current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. The provisions are for all known liabilities are adequate and not in excess of the amount considered reasonably necessary.
8. Actuarial valuation of Gratuity as required by Accounting Standard 15 "Employee Benefits" issued by the Institute of Chartered Accountants of India has not been done by the Company. However, on 11th June, 2009 the Company has taken a Group Gratuity Scheme from Life Insurance of India.
9. The group's operation predominantly comprises only one segment i.e. leather and leather Products, therefore, Segment reporting as per Accounting Standard (AS-17) issued by the institute of Chartered Accountants of India is not applicable.

10. Break-up of Deferred Tax liability is as under :-	As at	As at
	31.03.2009	31.03.2008
Deferred Tax Assets		
Payments covered under Section 43B of the Income Tax Act, 1961	71,24,575	57,90,786
Sub Total (a)	<u>71,24,575</u>	<u>57,90,786</u>
Deferred Tax Liability		
Excess of Net Block over written down value as per the Provisions of Income Tax Act, 1961	5,92,45,747	4,78,48,419
Sub Total (b)	<u>5,92,45,747</u>	<u>4,78,48,419</u>
Net Deferred Tax Liability (b-a)	<u>5,21,21,172</u>	<u>4,20,57,633</u>
Net Increase /(Decrease) in Deferred Tax Liability debited to Profit and Loss Account	<u>99,53,209</u>	

11. Related parties disclosures, as required by Accounting Standard (AS-18), issued by the Institute of Chartered Accountants of India, are given below :-

a. List of related parties with whom transactions have taken place during the year :

- i) Key Management Personnel :
Mr. Iftikharul Amin, Mr. Iqbal Ahsan, Mr. Veqarul Amin, Mr. Imran Siddiqui, Mr. Arshad Khan, Mr. Mohd. Imran and Mr. R. S. Singh.
- ii) Relatives of Key Management Personnel :
Mrs. Zahida Begum, Mrs. Sophia Amin, Mrs. Ismat Iqbal, Mrs. Rumana Amin, Mr. Mubasherul Amin, Mr. Umairul Amin, Mr. Tanveerul Amin, Mrs. Farha Fatima, Mrs. Rambha Singh and Mr. Khalid Syeed.
- iii) Entities, Associates and subsidiaries :
Super Shoes Limited, Amin Colonizers & Developers Ltd., Gentraco India Exim Ltd., Super Tannery FZE, Banthar Industrial Pollution Control Company and Industrial infrastructure Services (i) Ltd.

b. Disclosure of related parties Transactions :

Nature of Transaction	Key Management Personnel (KMP)	Relatives of KMP	Subsidiaries entities and Associates
Rent paid	NIL (NIL)	NIL (1,80,000)	NIL (NIL)
Remuneration	78,09,586 (54,22,686)	7,91,915 (1,05,487)	NIL (NIL)
Purchase of Goods/ Service Contract	NIL (NIL)	NIL (NIL)	20,01,119 (1,20,71,692)
Sale of Goods/ Service Contract	NIL (NIL)	NIL (NIL)	5,27,76,866 (1,20,43,391)
Investments	NIL (NIL)	NIL (NIL)	NIL (-4,872)
Dividend Paid	11,76,379 (11,36,390)	9,17,065 (7,58,920)	NIL (NIL)

c. Amount due to/from related parties :

Trade Receivables	NIL (NIL)	NIL (NIL)	3,96,77,506 (1,22,48,585)
Trade Payables	NIL (NIL)	NIL (NIL)	1,27,943 (7,33,714)
Loans and Advances	NIL (NIL)	NIL (NIL)	1,85,00,000 (3,93,506)

Note : No amount pertaining to related parties have been written off or provided for as doubtful assets during the year.

12. Pursuant to the exemption granted under Section 212 (8) of the Companies Act, 1956, by the Government of India, Ministry of Corporate Affairs, vide order no. 47/489/2009-CL-III dated 19.06.2009, the Annual Accounts as on 31st March 2009, in respect of the subsidiaries namely: Super Safetywears Limited, Super Tannery (U.K.) Limited and Aarifi Tanners Limited have not been attached to the Annual Report of the Company. However the Annual Accounts of of Safety Solution s.r.o. are being published separately. The requisite information for each subsidiary, as stipulated vide above exemption, has been disclosed. The Annual Accounts of the subsidiary companies and related detailed information will be made available to the holding and subsidiary Company investors seeking such information. The Annual Accounts of the subsidiary companies will be kept for inspection by any investor in the head office of the Company and the subsidiary concerned.
13. In the absence of the Notification in the Official Gazette of the Central Government of India, the cess payable under Section 414A has not been paid / provided. The payment of cess shall be made in accordance with the Notification, as and when issued by the Central Government of India in its Official Gazette.
14. Figures in brackets pertain to previous year.
15. The figures of the previous year have been regrouped / rearranged wherever necessary in order to make them comparable with the figures of the current year.
16. Figures have been rounded off to the nearest rupee.

Signature to Schedules 1 to 20

For KAPOOR TANDON & CO.
Chartered Accountants

For and on behalf of the BOARD

(HIMANSHU KAPOOR)
PARTNER

R. K. AWASTHI
Company Secretary

IQBAL AHSAN
Jt. Managing Director

R. S. SINGH
G.M. (Finance) & CFO

MOHD. IMRAN
Whole-time Director

Place : Kanpur

Dated : 04.08.2009

SUPER TANNERY LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009

	As at		As at	
	31st March 2009		31st March 2008	
	(Rs in Thousands)		(Rs in Thousands)	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before tax		66,612		42,840
<i>Adjusted for :</i>				
Depreciation	29,327		24,340	
Interest Paid	61,775		56,877	
Interest Received	(799)		(1307)	
Exchange Fluctuation	(25,090)		1,784	
Bad Debts written off	5,149		22,785	
Gratuity Payable	(911)		1,728	
Preliminary Expenses written off	302		0	
Profit on Sale of Fixed Assets	(159)		(290)	
Loss on Sale of Fixed Assets	694	70,288	1,538	1,07,455
Operating Profit before Working Capital changes		<u>1,36,900</u>		<u>1,50,295</u>
<i>Adjusted for :</i>				
Trade and Other Receivables	(23,588)		(89,803)	
Inventories	(87,770)		(31,739)	
Trade and Other Payables	(1,02,655)	(38,473)	40,099	(81,443)
Cash Generation from operation		<u>98,427</u>		<u>68,852</u>
Interest Paid (Net)	(55,552)		(47,317)	
Direct Taxes Paid (Net of Refund)	(13,018)	(68,570)	(12,286)	(59,603)
Net Cash Flow from Operating Activities (A)		<u>29,857</u>		<u>9,249</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets (Including CWIP)		(1,02,747)		(80,135)
Sale of Fixed Assets		1,028		3,372
Increase in non-trade investment		(413)		(354)
Net Cash used in Investing Activities (B)		<u>(1,02,132)</u>		<u>(77,117)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Paid up Share capital/Share Premium Account		0		1,429
Working Capital		1,18,506		1,07,635
Long Term Borrowings		50		11,290
Repayment of loan		(24,357)		(24,118)
Interest Paid		(5,424)		(8,253)
Dividend Paid		(3,852)		(3,620)
Net Cash Flow from Financing Activities (C)		<u>84,923</u>		<u>84,363</u>
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		12,648		16,495
Cash and Cash equivalents (Opening Balance)		62,950		46,455
Cash and Cash equivalents (Closing Balance)		50,302		62,950

NOTE :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Purchase of fixed assets includes movements of Capital work in Progress between the beginning and end of the year.

For **KAPOOR TANDON & CO.**

Chartered Accountants

(**HIMANSHU KAPOOR**)

PARTNER

Place : Kanpur

Dated : 04.08.2009

For and on behalf of the BOARD

R. K. AWASTHI

Company Secretary

IQBAL AHSAN

Jt. Managing Director

R. S. SINGH

G.M. (Finance) & CFO

MOHD. IMRAN

Whole-time Director

AUDITOR'S CERTIFICATE

We have examined the above consolidated Cash Flow statement of SUPER TANNERY LIMITED for the year ended 31st March, 2009. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreements with the Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated 04.08.2009 to the members of the Company.

For **KAPOOR TANDON & Co.,**

Chartered Accountants

(**HIMANSHU KAPOOR**)

Partner

Place : Kanpur

Dated : 04.08.2009

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANY**

1. Description	Aarifi Tanners Limited	Super Safetywears Limited	Super Tannery (U.K.) Limited	Safety Solutions s.r.o.
2. Financial year of the Subsidiary Company ended on	31.03.2009	31.03.2009	31.03.2009	31.03.2009
3. Extent of Holding Company's interest in the Subsidiary Company				
(i) Number of Shares held	12,05,366 Equity Shares of Rs.10/- each fully paid	49,300 Equity Shares of Rs. 10/- each fully paid	2,100 ordinary shares of £ 1/- each fully paid	6,638 ordinary shares of € 1/- each fully paid
(ii) Percentage of Holding	82.51%	98.60%	100.00%	100.00%
4. The net aggregate amount of the Subsidiary's Profit/(Loss) so far as it concerns members of the Holding Company and is not dealt with in the Holding Company's accounts.				
(i) for the financial year of the Subsidiary	Rs. (-)13,10,130	NIL	£(-)32,988	€ (-)12,879
(ii) for the previous financial years of the Subsidiary since it became the Holding Company's Subsidiary.	Rs. 6,50,110	NIL	£ (-)5,677	NIL
5. The net aggregate amount of the Subsidiary's Profit/(Loss) of the Subsidiary Company dealt with in the Holding Company's accounts.				
(i) for the financial year of the Subsidiary	NIL	NIL	NIL	NIL
(ii) for the previous financial years of the Subsidiary since it became the Holding Company's Subsidiary.	NIL	NIL	NIL	NIL
6. Change in the interest of holding Company during the year ended 31.03.2009.	3.61%	NIL	NIL	NIL
7. Material changes between the end of the financial year of the subsidiary and financial year of holding Company.	NIL	NIL	NIL	NIL

Pursuant to the approval granted under section 212(8) of the companies act 1956 by Government on India, Ministry of Corporate Affairs vide order No. 47/489/2009- CL-III dated 19th June, 2009, the company is not required to disclosed information contained in section 212(1) of the Companies act 1956 in respect of subsidiary companies: (1) Super Tannery U.K. Limited (2) Aarifi Tanners Limited (3) Super Safetywears Limited, However the annual accounts of Safety Solutions s.r.o. are being separately published.

For and on behalf of the BOARD

MOHD. IMRAN
Whole-time Director

IQBAL AHSAN
Jt. Managing Director

R. K. AWASTHI
Company Secretary

R. S. SINGH
G.M. (Finance) & CFO

Place : Kanpur
Dated: 04.08.2009

SUPER TANNERY LIMITED

STATEMENT PURSUANT TO THE EXEMPTION GRANTED BY MINISTRY OF CORPORATE AFFAIRS UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

1. Description	Aarifi Tanners Limited	Super Safetywears Limited	Super Tannery (U.K.) Limited	Safety Solutions s.r.o.
2. Financial year of the Subsidiary Company ended on	31.03.2009	31.03.2009	31.03.2009	31.03.2009
3. Share Capital				
(a) Authorised	: Rs. 2,00,00,000	Rs. 1,00,00,000	Not Applicable	Not Applicable
(b) Paid up	: Rs. 1,46,07,000	Rs. 5,00,000	£ 2,100 Equivalent to Rs. 1,55,043	€ 6,638 Equivalent to Rs. 4,42,755
4. Reserves and Surplus	: Rs. 1,38,369	Not Applicable	£ 18,909 Equivalent to Rs. 14,80,746	€ (-) 18,597 Equivalent to Rs. (-)12,03,040
5. Total Assets	: Rs. 1,52,14,375	Rs. 3,42,696	£ 6,85,853 Equivalent to Rs. 4,93,88,275	€ 1,78,622 Equivalent to Rs. 1,19,14,069
6. Total Liabilities	: Rs. 4,69,007	Rs. 10,049	£ 7,04,263 Equivalent to Rs. 5,07,13,979	€ 1,91,979 Equivalent to Rs. 1,28,08,820
7. Investments	: Rs. 1,72,800	NIL	NIL	NIL
8. Turnover	: Rs. 2,11,08,800	Not Applicable	£ 6,43,238 Equivalent to Rs. 5,03,71,966	€ 46,617 Equivalent to Rs. 30,39,629
9. Profit before taxation	: Rs. (-)14,71,525	Not Applicable	£ (-) 34,505 Equivalent to Rs. (-)27,02,105	€ (-) 18,440 Equivalent to Rs. (-)11,92,863
10. Provision for taxation	: NIL	Not Applicable	NIL	NIL
11. Profit after taxation	: Rs. (-)15,87,652	Not Applicable	£ (-) 34,505 Equivalent to Rs. (-)27,02,105	€ (-) 18,440 Equivalent to Rs. (-)11,92,863
12. Proposed Dividend	NIL	Not Applicable	NIL	NIL

NOTE :

1. Above informations are being given in view of Ministry of Corporate Affairs' approval granted under section 212(8) of the companies act 1956 vide order no. 47/489/2009-CL-III dated 19th June, 2009. Figures in respect of Safety Solutions s.r.o. are given in addition to the requirement of Ministry of Company Affairs.

2. Exchange Rate considered for the purpose of conversion into Indian Rupees as under :-

(a) In case of valuation at Average Rate (a) € 64.69 (b) £ 78.31

(b) In case of valuation at Closing Rate (a) € 66.70 (b) £ 72.01

For and on behalf of the BOARD

R. K. AWASTHI
Company Secretary

IQBAL AHSAN
Jt. Managing Director

R.S. SINGH
G.M. (Finance) & CFO

MOHD. IMRAN
Whole-time Director

Place : Kanpur
Dated: 04.08.2009

DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 31st March, 2009.

The Company's principle activity is import and sale of leather and leather products.

The Directors are satisfied that the company is entitled to exemption under provisions of Companies Act at Slovak republic and that no member or members have requested for an audit pursuant to the said Act,

The Directors who served during the year do not have any interest in the capital of the company hence this para is not applicable.

The ultimate controlling party to the company is Super Tannery Limited, an Indian company, by virtue of its owning 100% of the capital in the company.

The Directors acknowledge their responsibility for :-

1. ensuring that the company keeps proper accounting records which comply with provisions of Companies Act prevailing at Slovak Republic.
2. Preparing accounts on a going concern basis, which gives a true and fair view of the state of affair of the company as at the end of the financial year and of its profit or loss for the same financial year in accordance with the requirements of Companies Act prevailing at Slovak Republic so far as applicable to the company.
3. Safeguarding the interest and assets of the company for prevention and detection of fraud and other irregularities.

This report of the directors has been prepared in accordance with the special provisions relating to small companies within the provisions stipulated in Companies Act prevailing at Slovak Republic.

This report was approved by the board on 29th June, 2009.

For and on behalf of the BOARD

I AMIN
DIRECTOR

I AHSAN
DIRECTOR

Place : Kanpur
Dated: 29.06.2009

SUPER TANNERY LIMITED

SAFETY SOLUTIONS s.r.o., Slovak Republic

Balance Sheet as at 31st March, 2009

31.03.2009

EURO

SOURCES OF FUND

Shareholders' Fund

Share Capital

6,638

Sub-Total

6,638

APPLICATION OF FUNDS

Current assets, Loans & advances

Stock in trade

1,29,049

Trade Debtors

15,113

Cash & Bank balances

34,460

1,78,622

Less : Current Liabilities & Provisions

1,91,979

(13,357)

Preliminary Expenses

2,019

Profit & Loss account

17,976

Sub-Total

6,638

Profit and Loss Account for the period ended 31st March, 2009

Sales

44,407

Cost of Sales

35,455

Gross Profit

(a)

8,952

Administrative expenses

26,928

(b)

26,928

Profit/(Loss) before tax

(a-b)

(17,976)

Tax on profit of ordinary activities

-

Profit for the year

(17,976)

Balance brought forward from previous year

-

Surplus carried to Balance Sheet

(17,976)

For and on behalf of the BOARD

I AMIN

DIRECTOR

I AHSAN

DIRECTOR

Place : Kanpur

Dated: 29.06.2009

Notes to the Accounts for the year ended 31st March, 2009

ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for the smaller entities.

TURNOVER

Turnover represents the invoices value of goods and services supplied by the company, net of value added tax and trade discounts.

TANGIBLE FIXED ASSETS AND DEPRECIATION

The company does not have any tangible fixed asset; hence this Para is not applicable.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are transacted at the rate of exchange ruling at the Balance Sheet date. All differences are taken to the Profit and Loss account.

STOCKS

Stocks is valued at the lower of cost and net realizable value.

TAXATION

In view of loss, no provision of tax has been made in the accounts.

DEBTORS

Trade Debtors	15,113
<i>Total outstanding within one year</i>	<u>15,113</u>

CREDITORS

Trade creditors	1,89,765
Other liabilities	2,214
<i>Total amount falling due within one year</i>	<u>1,91,979</u>

SHARE CAPITAL

Pursuant to the provisions of the Companies Act prevailing at Slovak Republic, the capital infused by Controlling party is EURO 6,638 which is equal to 2,00,000 Slovak Crown.

ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of Super Tannery Limited, an Indian registered company having Registered Office at 187/170, Jajmau Road, Kanpur-208010 (India).

RELATED PARTY

Mr. I Amin and Mr. I Ahsan are also directors of the controlling party, Super Tannery Limited. During the year the company entered into arms length transactions with the controlling party. Being first year of the Company, figures for the previous have not been given.

For and on behalf of the BOARD

I AMIN
DIRECTOR

I AHSAN
DIRECTOR

Place : Kanpur
Dated: 29.06.2009