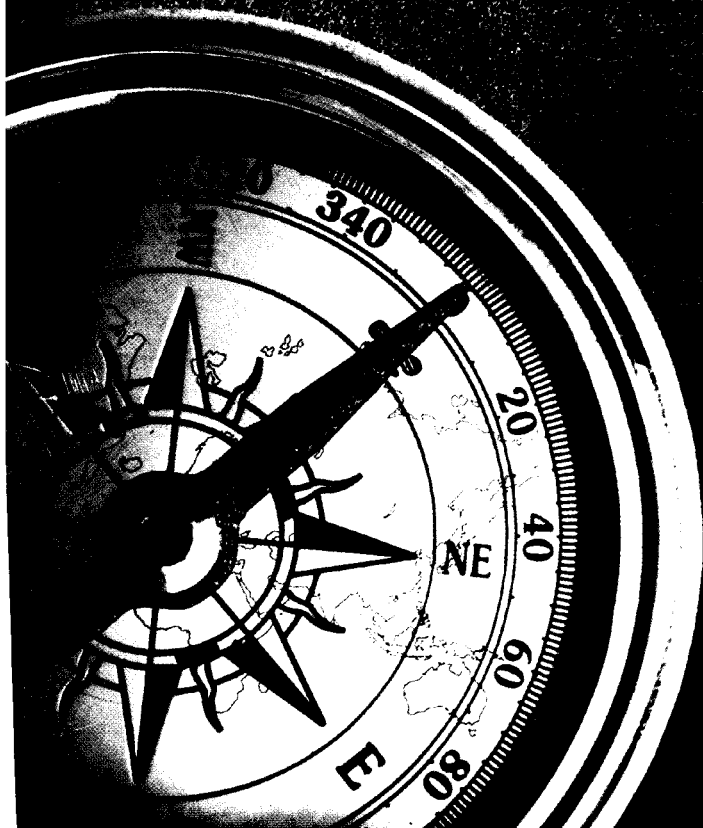


DESTINATION SUCCESS!



SUPERHOUSE LTD.
ANNUAL REPORT 2009-2010

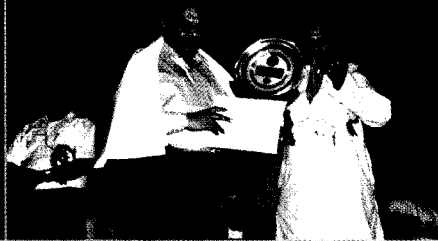
WHERE EXCELLENCE IS A HABIT !!

BEST EXPORTER AWARD 2008-09 FROM U.P. STATE



Mr. Zafarul Amin, Joint Managing Director receiving the U.P. State's Best Exporter Award for 2008-09. The Award was given by Hon. Minister Shri Chandra Dev Ram Yadav in Lucknow on 5th May, 2010.

BEST EXPORTER AWARD 2007-08 FROM U.P. STATE



Mr. A. K. AGARWAL, Director, Finance receiving the U.P. State's Best Exporter Award for 2007-08. The Award was given by Hon. Minister Shri Chandra Dev Ram Yadav in Lucknow on 5th May, 2010.

NATIONAL- BEST EXPORTER AWARD (LEATHER PRODUCTS) FOR 2008-09



Mr. Fahad Kareem, Director (Agra Operations), receiving the National Best Exporter Award for 2008-09 in Leather Sector. The award was given by Shri Dayanidhi Maran, Union Minister of Textile in Chennai on 31st January, 2010.

SUPERHOUSE LIMITED



BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. R K Agrawal

BANKERS

Punjab National Bank
State Bank of India

AUDITORS

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

| CONTENTS | |
|--|-------------|
| | Page No.(s) |
| 1. Notice | 2 |
| 2. Chairman's Message | 3 |
| 3. Directors' Report | 4-18 |
| 4. Auditors' Report | 19-21 |
| 5. Balance Sheet | 22 |
| 6. Profit & Loss | 23 |
| 7. Schedules to the Balance Sheet and Profit & Loss Account | 24-32 |
| 8. Notes on Accounts and Accounting Policies | 33-45 |
| 9. Cash Flow Statements | 46 |
| 10. Details of Subsidiary Companies | 47-48 |
| 11. Balance Sheet Abstract and Company's General Business Profile | 49 |
| 12. Auditors' Report on Consolidated Financial Statements | 50-51 |
| 13. Consolidated Accounts | 52-69 |
| 14. Auditors' Report on Consolidated Financial Statement of Subsidiary Companies | 70 |
| 15. Consolidated Balance Sheet | 71-79 |

OFFICE

Registered Office
150 Feet Road, Jajmau,
Kanpur-208010

PLANTS

Fashion Shoe Div. Unit I

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

Fashion Shoe Div. Unit II

A-3, Export Promotion Industrial Park,
Agra

Fashion Shoe Div. Unit III

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

Fashion Shoe Div. Unit IV

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

Tannery No. 1

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

Tannery No. 2

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

Tannery No. 3

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

Safety Footwear Div-I

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

Safety Footwear Div-II

150 Feet Road, Jajmau, Kanpur-208010

Upper Division

71-A, Jajmau, Kanpur-208010

Readymade Garments Div-I

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

Readymade Garments Div-II

A-5, Sector-59, Noida-201303

Safety Garments Div.

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

Leather Garments

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



SUPERHOUSE LIMITED

NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Company will be held on Thursday the 30th September, 2010 at 10.00 A.M. at the Registered Office of the Company at 150 Feet Road, Jajmau, Kanpur-208 010, to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and Audited Accounts for the Year ended on that date and the Reports of the Auditors and Directors thereon.
2. To elect a Director in place of Mr. Kamal Agarwal who retires by rotation and is eligible for re-election.
3. To elect a Director in place of Mr. Krishna Kumar Agarwal who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Mr. Anil Soni who retires by rotation and is eligible for re-election.
5. To elect a Director in place of Mr. Sartaj Ahmad who retires by rotation and is eligible for re-election.
6. To declare a dividend on Equity Shares.
7. To appoint Auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

8. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution :
"RESOLVED that Mr. Javed Ali Hashmi be and is hereby appointed a Director of the Company whose term of office will be liable to be determined by retirement of Directors by rotation."

Place : Kanpur
Date : 5th June, 2010

By Order of the Board
R. K. AGRAWAL
Company Secretary

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The register of members and Share Transfer Book of the Company will remain close from 16th September, 2010 to 30th September, 2010 (both days inclusive).
3. Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 accompanies this notice.

Place : Kanpur
Date : 5th June, 2010

By Order of the Board
R. K. AGRAWAL
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO. 8

At the meeting of the Board of Directors of the company held on 30th January, 2010, Mr. Javed Ali Hashmi was appointed Director of the company in place of Late Mr. S. M. Rais. He will hold office only upto the date of forthcoming Annual General Meeting. Mr. Javed Ali Hashmi is willing to act as Director, if so appointed and has filed with the company his consent pursuant to Section 264 (1) of the Act. Moreover, the company has received Notice U/s 257 of the Companies Act, 1956 for the appointment of Mr. Javed Ali Hashmi as Director of the company alongwith required deposit.

The board recommends this resolution for your approval.

Place : Kanpur
Date : 5th June, 2010

By Order of the Board
R. K. AGRAWAL
Company Secretary



Chairman's Message



Dear Shareholders,

I congratulate all of you as your company surpasses the recessionary trend wrapping the globe during 2009-10. Your company was able to register the positive export growth as against the negative growth of Indian Leather Industry during 2009-10. The profit after tax of the company increased from Rs. 757.22 lacs during 2008-09 to Rs. 1364.88 lacs during 2009-10, thereby registering an impressive growth of 80.25%. During the current year, your company received Best Export Awards of U.P.State for the years 2007-08 and 2008-09. Your company also received four National Export Awards during 2009-10. The company was placed first for exporting Non-leather Saddlery and Harness. This became possible due to the faith bestowed upon the present team of Management by you.

During the current year, the Macro-Economic trends are showing global recovery with modest pace. In the US, recovery remains constrained by high unemployment, modest income growth, lower housing wealth and tight credit. In the Euro area, economic activity is weak, though more resilient than expected in the face of the recent turbulence. The growth outlook remains clouded by concerns about the sustainability of sovereign debt in some of the Euro area economies.

However, the Emerging Market Economies are witnessing strong growth, driven by strong domestic demand, restocking of inventories and, thus far, recovering global trade. In many EMEs, especially in Asia, growth is fast approaching the trend. Robust macroeconomic fundamentals, unimpaired balance sheets of corporates and households, sound banking sector and effective fiscal and monetary stimuli contributed to a significantly faster recovery in EMEs.

The Indian Leather Industry has shown a very impressive growth during two months ending May, 2010. During the period the Export of the country reached USD 535 Million as against USD 414.01 Million during last year for the same period, thereby registering impressive growth of 29.22%.

Having regard to global recovery, the prospects of the company are also looking bright during current year. The recovery has consolidated and is becoming increasingly broad based causing concerns about capacity constraints and inflationary pressure. Keeping pace with the increasing demand of the products of the company, the company is planning to increase the production capacity coupled with maximum utilization of present capacity.

However, as your company mainly is engaged in the export of its products, the operations and profitability of the company will also depend upon the overall global recovery. Although Emerging Market Economies (EMEs) are witnessing strong growth, there are visible soft spots in Europe and the US, from where we are getting maximum orders. The decreasing trend in value of Euro is also a concern for the company. But I hope that your present team of management will be able to handle such type of critical circumstances.

I take this opportunity to express my gratitude to all our stakeholders, Board of Directors and Employees, who have reposed their trust in us and give their constant support to us.

With Best Wishes
MUKHTARUL AMIN

**DIRECTORS' REPORT**

To
The Shareholders.
Superhouse Limited,
Kanpur.

The Directors have pleasure in presenting their 30th Annual Report alongwith the Audited Accounts of your Company for the year ended 31st March, 2010.

FINANCIAL RESULTS :

| | Current Year (Rs. in '000) | Previous Year (Rs. in '000) |
|--|-------------------------------|--------------------------------|
| Profit before Depreciation | 293603 | 204385 |
| Less : Depreciation | 80563 | 71883 |
| Profit before tax | 213040 | 132502 |
| Less : Provision for taxation | 76552 | 56780 |
| Profit after tax | 136488 | 75722 |
| Income Tax relating to earlier year | (431) | 1171 |
| Balance Brought forward from previous year | 394571 | 361959 |
| | <u>530628</u> | <u>438852</u> |
| Appropriations : | | |
| Proposed Dividend | 13230 | 12207 |
| Tax on Proposed Dividend | 2197 | 2074 |
| Transferred to General Reserve | 100000 | 30000 |
| Balance carried to Balance Sheet | 415201 | 394571 |
| | <u>530628</u> | <u>438852</u> |

Dividend :

Your Directors are pleased to recommend final dividend of Rs. 1.20 per equity share (previous year Rs. 1.20 per equity share) on the equity share capital of the company for the financial year ended 31st March, 2010. The cash outflow on account of dividend on equity capital will be Rs. 154.27 lacs (previous year Rs. 142.81 lacs) including dividend distribution tax of Rs 21.97 lacs (previous year Rs.20.74 lacs).

Financial Performance :

The company has achieved the sales and other Income of Rs. 359.15 crores against Rs. 344.57 crores reported last year. The Profit after Tax was Rs. 1364.88 lacs during the year under review as compared to Rs. 757.22 lacs reported during the previous year.

Export Award :

During the current year, the company received Best Exporter Awards of U.P. State for the years 2007-08 and 2008-09. Further, the company also received four National Export Awards during the year under review. The company was placed first for exporting Non-leather Saddlery and Harness.

Subsidiary Companies :

The company is having six subsidiary companies namely M/s Superhouse (UK) Limited, M/s Superhouse

SUPERHOUSE LIMITED



(USA) International Inc, M/s Superhouse Middle East FZC, M/s Superhouse R.O. S.R.L., M/s Super House Canada Inc. and Super House HK Limited. Super House HK Limited was incorporated during current year. A statement pursuant to section 212 of the Companies Act, 1956 relating to company's interest in subsidiary companies is forming part of the Annual Accounts.

Corporate Governance :

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

Consolidated Financial Statement :

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

Management Discussion and Analysis :

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

Personnel :

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

Conservation of Energy :

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

Technology Absorption :

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

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

The company has incurred expenditure of Rs. 74.13 lacs for the Research and Development Activities during the year as compared to Rs. 98.70 lacs incurred during last year.

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

Foreign Exchange Earnings & Outgo :

Your Company continues to enjoy the status of a Government of India Recognized Trading House. Continuous efforts are being made to identify the new markets. Exports during the year was Rs. 29049.40 lacs in comparison to previous year of Rs. 28580.40 lacs on FOB basis. During the year, total Foreign Exchange outgo was Rs 6737.52 lacs as compared to Rs. 6596.58 lacs during the preceding financial year.

Particulars of Employees u/s 217 :

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



SUPERHOUSE LIMITED

Directors :

Your Directors are sorry to inform you about sad demise of Mr. S M Rais, Director of the company on 04.01.2010. The board places on record its high appreciation for the valuable services rendered by him during his tenure. Mr. Javed Ali Hashmi was opted on the Board in place of Late Mr. S. M. Rais. Mr. Kamal Agarwal, Mr. Krishna Kumar Agarwal, Mr. Anil Soni and Mr. Sartaj Ahmad retire by rotation at the ensuing Annual General Meeting, and being eligible, they offer themselves for re-election.

Directors' Responsibility Statement :

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

- i) In the preparation of the annual accounts the applicable accounting standards have been followed;
- ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profit of the Company for the year ended on that date;
- iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) They have prepared the annual accounts on a going concern basis.

Statutory Auditors :

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

Cost Auditors :

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

Place : Kanpur
Date : 5th June, 2010

For and on behalf of the Board
MUKHTARUL AMIN
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

Macroeconomic Overview :-

The fiscal year 2009-10 began as a difficult one. There was a significant slowdown in the growth rate in the second half of 2008-09, following the financial crisis that began in the industrialized nations in 2007 and spread to the real economy across the world. The continued recession in the developed world, for the better part of 2009-10, meant a sluggish export recovery and a slowdown in financial flows into the economy. Yet, over the span of the year, the economy posted a remarkable recovery, not only in terms of overall growth figures but, more importantly, in terms of certain fundamentals, which justify optimism for the Indian economy in the medium to long term.

The real turnaround came in the second quarter of 2009-10 when the economy grew by 7.9 per cent. As per the advance estimates of GDP for 2009-10, released by the Central Statistical Organization (CSO), the economy is expected to grow at 7.2 per cent in 2009-10, with the industrial and the service sectors growing at 8.2 and 8.7 per cent respectively. The manufacturing growth has more than doubled from 3.2 per cent in 2008-09 to 8.9 per cent in 2009-10.

The fast-paced recovery of the economy underscores the effectiveness of the policy response of the Government in the wake of the financial crisis. Moreover, the broad-based nature of the recovery creates scope for a gradual rollback, in due course, of some of the measures undertaken over the last fifteen to eighteen months, as part of the policy response to the global slowdown, so as to put the economy back on to the growth path of 9 per cent per annum.

At global level, following one of the deepest downturns in recent times, economic growth took root and extended to advanced economies in the second half of 2009. The pace and shape of recovery, however, remains uncertain. The International Monetary Fund's (IMF) World Economic Outlook update of January 26, 2010 suggests that following a sharp decline of 3.2 per cent in 2009, output in the advanced economies has begun to expand since the second half of 2009 and is now expected to grow by 2.1 per cent in 2010. In the case of emerging and developing economies, the modest 2.1 per cent output growth in 2009 is expected to be followed by a rise of about 6 per cent in 2010. For the world as a whole an output decline of 0.8 per cent in 2009 is projected to turn into a growth of 3.9 per cent in 2010. The rapid rebound in world output has been driven by the extraordinary amount of policy stimulus, monetary as well as fiscal. The concern about the recovery losing momentum, once the stimulus is withdrawn, remains. High unemployment rates, growing fiscal deficit and contraction of credit to productive sectors are areas of concern for the developed economies. For the emerging economies, which are already on the path to recovery, there are challenges emanating from increased capital flows with ramifications for monetary growth, inflation and exchange rate uncertainty, along with policy implications for the capital account.

The original global slowdown has finally impacted country's external trade with export during 2009-10 declining by 4.7% to 176.50 billion.

Industry Structure and Development :-

Growth in the major industrial groups has been a mixed bag. There was strong growth in automobiles, rubber and plastic products, wool and silk textiles, wood products, chemicals and miscellaneous manufacturing; modest growth in nonmetallic mineral products; no growth in paper, leather, food and jute textiles; and a slump in beverages and tobacco products in 2009-10.

The global economy, led by the Asian economies especially China and India, has shown signs of recovery in fiscal 2009-10. While global trade is gradually picking up, the other indicators of economic activity such as capital flows, assets and commodity prices are more buoyant



SUPERHOUSE LIMITED

As per the IIP data, leather products, which include finished leather, leather footwear, shoe uppers, leather garments and other leather goods, showed only 0.9 per cent growth in production during April-November 2009, following a 5 per cent decline during the same period in the previous year. Production of leather and fur products almost stagnated during the post-2000 period (compound annual growth of 0.5 per cent during 2001-02 to 2008-09) with the exception of 2007-08, while overall manufacturing grew at a much faster rate (compound annual growth of 7.3 per cent during 2001-02 to 2008-09).

Finished leather declined by about 13 per cent, causing much of the slowdown in the sector during April-November 2009. While footwear items showed a mixed picture, leather garments grew by 5.7 per cent during the period.

Opportunities and Threats :-

Indian Leather industry Strengths depended on the factors like High growth; cheap manpower; Hefty raw material base; Continuous emphasis on product development and Design up gradation. With plethora of opportunities like rising potential in the domestic market; Use of information technology and decision support software to help eliminate the length of the production cycle for different products; Use of e-commerce in direct marketing etc.

However with such good credentials still there were certain weaknesses like lack of warehousing support from the government; International price fluctuation; lack of strong presence in the global fashion market; Unawareness of international standards by many companies which has also transformed these into threats like major part of the industry is unorganized; Limited scope for mobilizing funds through private placements and public issues like many businesses were family-owned; Difficulty in obtaining bank loans resulting in high cost of private borrowing; Stricter international standards; Lack of communication facilities and skills.

Segment-wise Performance :-

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

| <u>Segments</u> | <u>Turnover</u> |
|---------------------------------|---|
| a. Leather and Leather Products | Rs. 306.63 Crores (previous year Rs. 295.97 crores) |
| b. Textile Garments | Rs. 47.94 Crores (previous year Rs. 44.02 crores) |

Outlook :-

As per DGCI&S monthly export data, the export of leather and leather products for the year 2009-10 stands at US\$3289.94 million against the export of US\$3614.89 million during previous year, registering a negative growth of 8.99%. All the product categories, except leather garments shown negative growth. There was nominal positive growth in export of leather garments by 0.73% .

Risk and Concerns :-

The major raw material for leather industry is raw hide/skins. Leather is a natural product and its prices and availability are changing from time to time. The company is having vast experience in sourcing the raw materials for its tanneries and leather products divisions from India and outside which help in keeping the prices and availability under control. The output of raw hides/skins also depend upon personal skill of the purchasers and technicians, which are being properly taken care-off by the experienced personnel of the company. The substantial revenue of the company is being generated in foreign exchange. The adverse foreign exchange rates may effect the profitability of the company. The experienced professional of the company are keeping close watch over movement in currency rates.

SUPERHOUSE LIMITED



Cautionary Statement :-

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

Internal Control System and their Adequacy :-

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

Financial Performance with Respect to Operational Performance :-

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles in India. The company has achieved the sales and other income of Rs. 359.15 crores during the year against Rs. 344.57 crores reported last year. The profit after tax was Rs. 1364.88 lacs during the year as compared to Rs. 757.22 lacs reported during the previous year. The gross block of the company as at 31.03.2010 was Rs.177.94 crores against Rs. 165.52 crores as at 31.03.2009. The net current assets as at 31.03.2010 was Rs. 98.48 crores as against Rs. 90.01 crores as at 31.03.2009. The detailed information of financial performance is given in the attached annual financial statements. The summarized financial performance during the year is as under :-

FINANCIALS OF SUPERHOUSE LTD.

| | (Rs. in lacs) | |
|--------------------|---------------|----------|
| | 2008-09 | 2009-10 |
| Sales | 34225.63 | 35546.90 |
| Other Income | 231.39 | 368.60 |
| PBT | 1325.02 | 2130.40 |
| PAT | 757.22 | 1364.88 |
| Paid up Capital | 1056.71 | 1141.98 |
| Reserves & Surplus | 9197.69 | 10481.20 |
| Net Worth | 10291.89 | 11637.64 |
| Earning per share | 7.87 | 13.23 |

Industrial Relations and Human Resource Development :-

The relations with the employees continued to be cordial during the year. The Directors record their appreciation for the sincere and hard work put in by all categories of employees during the year. There were 1765 permanent employees with the company as on 31st March, 2010



CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance :

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

2. Board of Directors :

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

Late Mr. S. M. Rais, Director of the Company expired on 4.1.2010 and Mr. Javed Ali Hashmi is opted on Board in place of Late Mr. S. M. Rais. Mr. Kamal Agarwal, Mr. Krishna Kumar Agarwal, Mr. Anil Soni and Mr. Sartaj Ahmad retire by rotation at the ensuing Annual General Meeting. However, being eligible they offer themselves for re-election.

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

Mr. Mukhtarul Amin is a graduate in science having experience of 37 years in Leather Industry. He established many units specializing in manufacturing and export of Finished Leather, Fashion Footwear, Safety Footwear, Leather Garments and Textile Garments. He is also director of M/s Superhouse (UK) Limited, M/s Superhouse Middle East FZC, M/s Superhouse R.O. S.R.L., M/s Superhouse (USA) International Inc., M/s Super House Canada Inc., M/s Super House HK Limited, M/s Unnao Tanneries Pollution Control Company, M/s Tritan Leather Works (P) Limited, M/s Superhouse Educational Foundation, M/s Creemos International Limited, M/s Agra Footwear Industrial Infrastructure Development Company Limited, M/s Industrial Infrastructure Services India Limited, M/s Kanpur-Unnao Leather Cluster Development Company Limited, M/s Knowledgehouse Limited, M/s Amin Colonizers & Development Limited, and M/s Azad Multispeciality Hospitals & Research Center (P) Limited.

Mrs. Shahina Mukhtar is one of the promoter director of the company. She is having 27 years enriched experience in Leather Industry. She is also director of M/s Superhouse Educational Foundation and M/s Knowledgehouse Limited.

Mr. Zafarul Amin is a Leather Technologist and having experience in Tanning, Export Marketing and Administration. He is also director of M/s Knowledgehouse Limited.

Mr. N C Jain, previous Chairman of Income Tax Settlement Commission, is a renowned tax consultant. He is also director of M/s Zee Telefilms, M/s Lex Infotex Pvt. Limited and M/s Ajanta Manufacturing Limited.

Mr. Vinay Sanan is a graduate and having experience in management and export marketing. Mr. Vinay Sanan is running safety shoe and shoe upper units of the company. He is also director of M/s Superhouse (UK) Limited.

Mr. Mohd. Shadab is a footwear technologist from Leicester College, UK and having experience in management and export marketing. He is also running Fashion Shoe Units of the company. He is neither director in any other body corporate nor a member of the committee of director of any other company.

Mr. A K Agarwal is a Chartered Accountant. He is overall responsible for Accounts and Financial Activities of the Company. He is also director of M/s Unnao Tanneries Pollution Control Company, M/s Superhouse Educational Foundation, M/s Creemos International Limited, M/s Superhouse (USA) International Inc, M/s Superhouse (UK) Limited and M/s. Superhouse Middle East FZC.

SUPERHOUSE LIMITED



Mr. Sartaj Ahmad is a graduate and having experience in management and export marketing. He is also director of M/s Superhouse (UK) Limited and Chairman of shareholders Committee of the company.

Mr. Kamal Agarwal is a graduate and having experience in management and export marketing. He is also director of M/s Rojus Enterprises Limited.

Dr. Krishna Kumar Agarwal is a well known Doctor of Kanpur and having vast experience in medical field. He is neither director in any other body corporate nor a member of the committee of director of any other company.

Mr. Anil Soni is a graduate and having vast experience in Automobile Industry. He is neither director in any other body corporate nor a member of the committee of director of any other company.

Mr. Javed Ali Hashmi is a M.F.C from Aligarh University and having enriched experience of more than 12 years in Finance and Administration. He is also director of M/s Steven Construction Limited, M/s Chowdhary Overseas Limited, M/s Rojus Enterprises Limited, M/s Amin International Limited, M/s Superhouse Accessories Limited and M/s Modriba Hygiene Solutions Limited.

During the year 5 Board Meetings were held. The dates of the meetings were as follows :

30th June, 2009, 30th July, 2009, 10th September, 2009, 31st October, 2009, and 30th January, 2010.

The composition of the Board of Directors as on 31st March, 2010, attendance of each director at the Board of Directors' meeting and at the last Annual General Meeting and number of other directorship/ memberships of committees of each directors are as follows :

| Name of Directors | Categories | No. of Board Meetings attended | Attendance at last AGM | No of other Directorships | Committee Membership | |
|----------------------|--------------------------------|--------------------------------|------------------------|---------------------------|----------------------|----------|
| | | | | | Members | Chairman |
| Mr. Mukhtarul Amin | Chairman and Managing Director | 4 | No | 16 | 0 | 0 |
| Mr. Zafarul Amin | Joint Managing Director | 2 | No | 1 | 0 | 0 |
| Mrs. Shahina Mukhtar | Executive Director | 0 | No | 1 | 0 | 0 |
| Mr. Vinay Sanan | Executive Director | 3 | No | 1 | 0 | 0 |
| Mr. A. K. Agarwal | Executive Director | 5 | Yes | 6 | 3 | 0 |
| Mr. Mohd. Shadab | Executive Director | 3 | No | 0 | 0 | 0 |
| Mr. N.C.Jain | Director, Independent | 4 | No | 3 | 3 | 0 |
| Mr. K. K. Agarwal | Director, Independent | 1 | No | 0 | 0 | 0 |
| Mr. Anil Soni | Director, Independent | 2 | No | 0 | 0 | 0 |
| Mr. Kamal Agarwal | Director, Independent | 1 | No | 1 | 3 | 0 |
| Mr. Javed Ali Hashmi | Director, Independent | 0 | No | 6 | 3 | 2 |
| Mr. Sartaj Ahmad | Director, Independent | 1 | No | 1 | 3 | 1 |



SUPERHOUSE LIMITED

3. Code of Conduct :

All the board members and senior management personnel have affirmed the compliance with the code of conduct.

4. Subsidiary Companies :

Company is having six subsidiary companies namely M/s Superhouse (UK) Limited, M/s Superhouse (USA) International, Inc, M/s Superhouse Middle East FZC, M/s Superhouse R.O. S.R.L., M/s Super House Canada Inc., and Super House HK Limited. Super House HK Limited was incorporated during current year. The board of directors of the company has reviewed the affairs of M/s Superhouse (UK) Limited, M/s Superhouse (USA) International Inc, M/s Superhouse Middle East FZC and M/s Superhouse R.O. S.R.L.

5. Audit Committee :

Terms of reference of the Audit Committee include review of :

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

During the year, five meetings were held one of which was held before finalization of accounts. The said meetings were held on 30th June, 2009, 30th July, 2009, 31st October, 2009 and 30th January, 2010. Late Mr. S. M. Rais Chairman of the Audit Committee expired on 4.1.2010, Mr. Javed Ali Hashmi was appointed as member of the committee with effect from 1st April 2010, in place of Late Mr. S. M. Rais.

The constitution of the Audit Committee and attendance of each member of the Committee as on 31st March, 2010 are given below :

| Name | Category | Designation | No of Meetings Attended |
|------------------------|---------------------------|-------------|-------------------------|
| Mr. N. C. Jain | Non Executive-Independent | Member | 4 |
| Mr. Sartaj Ahmad | Non Executive-Independent | Member | 0 |
| Mr. Kamal Agarwal | Non Executive-Independent | Member | 3 |
| Mr. Anil Kumar Agarwal | Executive-Independent | Member | 4 |

6 Whistle Blower Policy :

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

SUPERHOUSE LIMITED



7. Remuneration Committee :

The company has formed a Remuneration Committee and this Committee consists of Mr. Anil Kumar Agarwal, Mr. Sartaj Ahmad and Mr. Kamal Agarwal. Late Mr. S M Rais, Chairman of Remuneration Committee expired on 4th January, 2010. Mr. Javed Ali Hashmi was appointed as member of the committee with effect from 1st April, 2010, in place of Late Mr. S M Rais. The constitution of Remuneration Committee and attendance of each member of the Committee as on 31st March, 2010 are given below :-

| Name | Category | Designation | No. of Meetings Attended |
|------------------------|---------------------------|-------------|--------------------------|
| Mr. Anil Kumar Agarwal | Non Executive-Independent | Member | 1 |
| Mr. N. C. Jain | Non Executive-Independent | Member | 0 |
| Mr. Sartaj Ahmad | Non Executive-Independent | Member | 1 |
| Mr. Kamal Agarwal | Non Executive-Independent | Member | 1 |

The remuneration policy presently followed by the company to fix the remuneration of Executive/ Whole-time Directors takes into consideration the qualifications and functional experience of the individual, profitability of the company and the prevailing remuneration package in the leather industry.

The details of remuneration paid/payable to the Directors during the financial year 2009-2010 are as under :

| Sl. No. | Name of Directors | Remuneration paid during the year 2009-10 | | | | | |
|---------|---------------------------------------|---|--------|--------------|-----------|--------------|-------------|
| | | Salary | P.F. | Per-quisites | Ex-gratia | Commis-ssion | Sitting Fee |
| | Executive/Whole-time Directors | | | | | | |
| 1. | Mr. Mukhtarul Amin | 5076923 | 576000 | 22294 | 0 | 3004211 | 0 |
| 2. | Mrs. Shahina Mukhtar | 1903846 | 216000 | 45909 | 0 | 1502105 | 0 |
| 3. | Mr. Zafarul Amin | 2685577 | 288000 | 0 | 0 | 1502105 | 0 |
| 4. | Mr. Vinay Sanan | 1119515 | 98922 | 99580 | 68669 | 0 | 0 |
| 5. | Mr. A. K. Agarwal | 729960 | 66600 | 28247 | 0 | 0 | 0 |
| 6. | Mr. Mohd. Shadab | 718404 | 52992 | 14161 | 48562 | 0 | 0 |
| | Non Executive Directors | | | | | | |
| 7. | Mr. N.C.Jain | 0 | 0 | 0 | 0 | 0 | 4000 |
| 8. | Mr. Sartaj Ahmad | 0 | 0 | 0 | 0 | 0 | 1000 |
| 9. | Mr. Anil Soni | 0 | 0 | 0 | 0 | 0 | 2000 |
| 10. | Mr. Kamal Agarwal | 0 | 0 | 0 | 0 | 0 | 1000 |
| 11. | Mr. K. K. Agarwal | 0 | 0 | 0 | 0 | 0 | 1000 |
| 12. | Mr. Javed Ali Hashmi | 0 | 0 | 0 | 0 | 0 | 0 |

Note:- Late Mr. S M Rais expired on 04.01.2010 and no remuneration was paid to him during the year.

8. Shareholders Committee :

During the year Five meetings of Shareholders Committee were held. The said meetings were held on 30th April, 2009, 30th June, 2009, 30th July, 2009, 31st October, 2009 and 30th January, 2010. Late Mr. S M



SUPERHOUSE LIMITED

Rais member of the shareholders committee expired on 4th January, 2010. Mr. Javed Ali Hashmi was appointed as member of the committee with effect from 1st April, 2010, in place of Late Mr. S M Rais.

The details of composition of Shareholders Committee/Investors Grievances Committee and attendance of each member of the Committee as on 31st March, 2010 are as under :

| Sl. No. | Name | Category | Designation | No. of Meetings Attended |
|---------|------------------------|---------------------------|-------------|--------------------------|
| 1. | Mr. N . C. Jain | Non-Executive-Independent | Member | 3 |
| 2. | Mr. Sartaj Ahmad | Non-Executive-Independent | Member | 1 |
| 3. | Mr. Kamal Agarwal | Non-Executive-Independent | Member | 3 |
| 4. | Mr. Anil Kumar Agarwal | Executive-Independent | Member | 4 |

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

The Company has received 16 complaints from the shareholders during the year, all of them have been replied/redressed to the satisfaction of the shareholders. There is no pending complaint or transfer upto 31st March, 2010.

9. General Body Meetings :

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

| YEAR | DATE AND TIME | LOCATION |
|-----------|---|--------------------------------------|
| 2006-2007 | Saturday the 29th September, 2007 at 10.00 A.M. | 150 Feet Road, Jajmau, Kanpur-208010 |
| 2007-2008 | Tuesday the 30th September, 2008 at 10.00 A.M. | 150 Feet Road, Jajmau, Kanpur-208010 |
| 2008-2009 | Wednesday the 30th September, 2009 at 10.00 A.M | 150 Feet Road, Jajmau, Kanpur-208010 |

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

b. Special Resolutions passed in previous three Annual General Meetings :

Special resolutions for the appointment of Mr. Mukhtarul Amin, Chairman and Managing Director, Mrs. Shahina Mukhtar Wholetime director, Mr. Zafarul Amin, Joint Managing Director, and Mr. Mohd. Shadab, Wholetime Director were passed at the Twenty Eighth Annual General Meeting of the company, held on 30th September, 2008.

c. Passing of resolution by Postal Ballot :

No item was passed by resolutions through Postal Ballot during the Financial Year 2009-10. At the forthcoming Annual General Meeting also, there is no item on the agenda that needs approval by Postal Ballot.

10. Disclosures :

- a) There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. Related party transactions have been given in note 26 of notes to the accounts.



- b) There is no instance of non-compliance by the company, penalties, strictures imposed on the company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.
- c) The Management discussion and analysis report forms part of Directors' Report.

11. Means of Communication :

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

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

12. General Shareholders Information :

- a. **Date of Annual General Meeting, time and venue** Thursday, 30th September, 2010 at 10.00 A.M. at 150 Feet Road, Jajmau, Kanpur-208010
- b. **Financial Calendar**
 - Ist Quarterly Results During last week of July, 2010
 - IInd Quarterly Results During last week of October, 2010
 - IIIrd Quarterly Results During last week of January, 2011
 - IVth Quarterly Results During last week of June, 2011
 - Annual General Meeting By the end of September, 2011
- c. **Date of Book Closure** 16th September, 2010 to 30th September, 2010 (both days inclusive)
- d. **Listing at Stock Exchanges** The Stock Exchange, Mumbai.
- e. **Stock Code at The Stock Exchange, Mumbai** 523283
- f. **Demat/ISIN for NSDL and CDSL** INE 712B01010
- g. **Stock Market price data of the company for the year 2009-2010 are as follows :-**

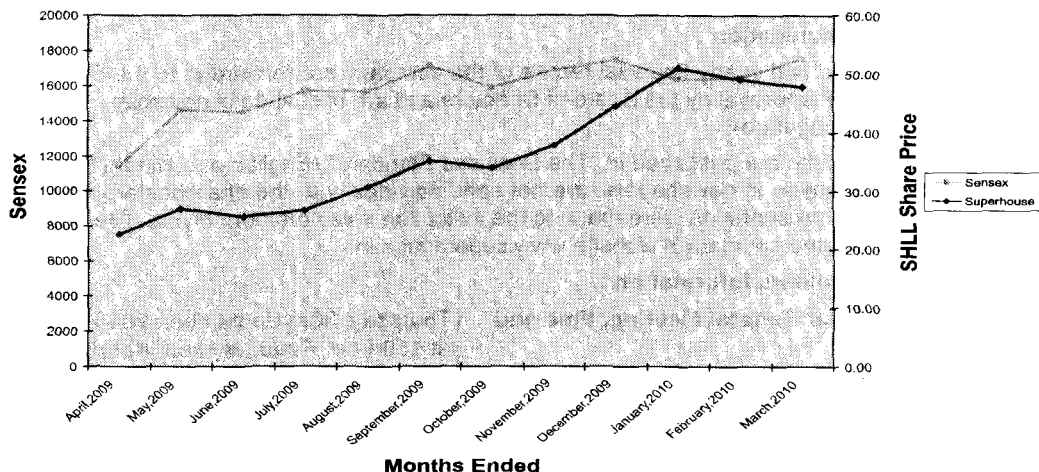
| Months | The Stock Exchange, Mumbai | |
|-----------------|----------------------------|--------------|
| | Highest (Rs.) | Lowest (Rs.) |
| April, 2009 | 28.20 | 20.10 |
| May, 2009 | 29.00 | 21.15 |
| June, 2009 | 33.00 | 23.30 |
| July, 2009 | 28.20 | 24.00 |
| August, 2009 | 32.20 | 26.70 |
| September, 2009 | 38.95 | 26.00 |
| October, 2009 | 37.35 | 32.70 |
| November, 2009 | 42.60 | 33.75 |
| December, 2009 | 45.50 | 37.45 |
| January, 2010 | 70.90 | 43.50 |
| February, 2010 | 55.50 | 42.10 |
| March, 2010 | 58.50 | 46.00 |



SUPERHOUSE LIMITED

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

Superhouse Share Price on BSE



- i. **Registrar and Transfer Agents** : The Company has appointed M/s Skyline Financial Services (P) Limited as Registrar and Share Transfer Agent of the company in respect of shares held in physical and demat form. The contact details of the Registrar is as under :-

M/s Skyline Financial Services (P) Limited,
 123, Vinobhapuri, Lajpat Nagar-II,
 New Delhi-110024
 Phone No. (011) 26292682, 26292683, Fax (011) 26292681
 email: viren@skylinerta.com

- j. **Share Transfer System** : The company has made arrangements with M/s Skyline Financial Services (P) Limited, the common agency for share transfer and the depository services. M/s Skyline Financial Services (P) Limited process the transfer/transmission of shares in every 10 days.
- k. **Distribution of Shareholders** : Distribution of shareholding as at 31st March, 2010 are as under :

| Range | No. of Members | %age | No. of Shares held | %age |
|--------------|----------------|---------------|--------------------|---------------|
| Upto- 500 | 40370 | 98.07 | 3364395 | 30.52 |
| 501- 1000 | 439 | 1.07 | 344044 | 3.12 |
| 1001-2000 | 157 | 0.38 | 241897 | 2.19 |
| 2001-3000 | 56 | 0.14 | 141711 | 1.29 |
| 3001-4000 | 21 | 0.05 | 75181 | 0.68 |
| 4001-5000 | 21 | 0.05 | 96748 | 0.88 |
| 5001-10000 | 49 | 0.12 | 345084 | 3.13 |
| 10001- above | 50 | 0.12 | 6415940 | 58.19 |
| TOTAL | 41163 | 100.00 | 11025000 | 100.00 |



I. Shareholding Pattern as at 31st March, 2010 is as under :-

| Category | | No. of shares held | Percentage of Shareholding |
|--|--|--------------------|----------------------------|
| A. Promoter's Holding (1+2) | | 6008542 | 54.50 |
| 1. | Promoters | | |
| | Indian Promoters | 6008542 | 54.50 |
| | Foreign Promoters | – | – |
| 2. | Persons acting in Concert | – | – |
| Sub –Total | | 6008542 | 54.50 |
| B. Non- Promoters Holding (3+4) | | 5016458 | 45.50 |
| 3. | Institutional Investors | | |
| | a. Mutual Funds and UTI | 3587 | 0.03 |
| | b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Government Institutions) | 4475 | 0.04 |
| | c. FIIs | – | – |
| Sub-Total | | 8062 | 0.07 |
| 4. | Others | | |
| | a. Private Corporate Bodies | 296388 | 2.69 |
| | b. Indian Public | 4700543 | 42.64 |
| | c. NRIs/OCBs | 11465 | 0.10 |
| | d. Any Other (Please specify) | – | – |
| Sub-Total | | 5016458 | 45.50 |
| GRAND TOTAL | | 11025000 | 100.00 |

m. Dematerialization of Shares and Liquidity :

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

The status of physical /demat shares as on 31st March, 2010 is as under :

Total No. of Equity Shares : 11025000

Total No. of Shareholders/Beneficial Owners : 41163

| Mode | No of Equity Shares | % of Equity Shares |
|--|---------------------|--------------------|
| Physical | 2793272 | 25.34 |
| Demat | 8231728 | 74.66 |
| National Securities Depository Limited and Central Depository Services Limited | 7555259 676469 | 68.52 6.14 |
| TOTAL | 11025000 | 100% |

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

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



SUPERHOUSE LIMITED

p. Plant Location :

| Sl.No | Name of Division | Location |
|-------|----------------------------|--|
| 1. | Fashion Shoe Div. Unit I | D-15, UPSIDC Industrial Area, Site-II, Unnao-209 801 |
| 2. | Fashion Shoe Div. Unit II | A-3, Export Promotion Industrial Park, Agra |
| 3. | Fashion Shoe Div. Unit III | A-5, UPSIDC Industrial Area, Site-B, Sikandra, Agra-282007 |
| 4. | Fashion Shoe Div. Unit IV | D-18, UPSIDC Industrial Area, Site-II, Unnao-209801 |
| 5. | Tannery No. 1 | A-1, Site-II, Industrial Area, Unnao-209801 |
| 6. | Tannery No. 2 | B-16, UPSIDC Industrial Area, Site-II, Unnao-209 801 |
| 7. | Tannery No. 3 | B-3, UPSIDC Industrial Area, Site-II, Unnao-209 801 |
| 8. | Safety Footwear Div-I | B-6, UPSIDC Industrial Area, Site-I, Unnao-209 801 |
| 9. | Safety Footwear Div-II | 150 Feet Road, Jajmau, Kanpur-208010 |
| 10. | Upper Division | 71-A, Jajmau, Kanpur-208010 |
| 11. | Readymade Garments Div-I | A-14, Sector-65, Phase-III, Noida-201303 |
| 12. | Readymade Garments Div-II | A-5, Sector-59, Noida-201303 |
| 13. | Safety Garments Div. | E-23,24, UPSIDC Industrial Area, Site-I, Unnao-209 801 |
| 14. | Leather Garments | C-10, Sector-58, Phase-II, Noida |

q. Address for Communication

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

Kapoor Tandon & Co.

Chartered Accountants

24/57, First Floor, Birhana Road
 (Opp. Central Chest Clinic), Kanpur 208 001
 Ph. : 2361244 • Fax : (0512) 2361244
 Email : nkapoornarendra@rediffmail.com

CERTIFICATE

To the members of Superhouse Limited :

We have examined the compliance of conditions of corporate governance by Superhouse Limited for the year ended on 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and Management, we certify that the company has complied with the condition of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that in respect of investor Grievances received during the year ended 31st March, 2010, no investor grievances are pending against the company as per the records maintained by the company and presented to the shareholders'/investors' Grievance committee of the company.

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.

For Kapoor Tandon & Co.
 Chartered Accountants
Rajesh Parasramka
 Partner.

Place : Kanpur
 Date : June 5, 2010

SUPERHOUSE LIMITED



Kapoor Tandon & Co.

Chartered Accountants

24/57, First Floor, Birhana Road
(Opp. Central Chest Clinic), Kanpur 208 001
Ph. : 2361244 • Fax : (0512) 2361244
Email : nkapoornarendra@rediffmail.com

AUDITORS' REPORT

The Members
Superhouse Limited
Kanpur

We have audited the attached Balance Sheet of Superhouse Limited as at 31st March, 2010 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report as under:

- (i)
 - (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets of the company are physically verified in a phased manner, over a period of three years so as to cover all the fixed assets. In our opinion, the frequency of physical verification of fixed assets is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies between book records and the physical inventory were noticed.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.
- (ii)
 - (a) The inventory of the Company has been physically verified by the management during the year except material lying with the third parties. In our opinion, the frequency of such verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) On the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operation of the company.
- (iii)
 - (a) The company has not granted any loans secured or unsecured to the Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 excepting interest free unsecured loan to Wholly Owned four Subsidiaries. Maximum amount involved and year end balance of such loan (including advance for share capital) was Rs. 50.98 Lacs.



SUPERHOUSE LIMITED

- (b) Other terms and conditions of such loans are, prima facie, not prejudicial to the interest of the company.
- (c) As regards repayment of above loans are concerned, no terms of repayment have been stipulated.
- (d) The company has not taken any loans secured or unsecured from the Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) On the basis of evaluation of internal control procedures, it appears that there are adequate internal control procedures commensurate with the size of Company and nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services.
Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor we have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
- (v) (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and exceeding Rs. 5.00 Lacs during the year in respect of each party have been entered into at the prices which are reasonable having regard to prevailing market prices as far as we could ascertain on the basis of information and explanations given to us.
- (vi) The Company has not accepted any deposits from the public during the year under audit within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under.
- (vii) In our opinion, the company has an adequate internal audit system commensurate with the size of the company and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company relating to the manufacture of 'footwear' pursuant to the order made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other products of the company.
- (ix) (a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty and other statutory dues with appropriate authority. Further, in absence of notification from the Government in respect of Cess as per the provisions of Section 441A of Companies Act, 1956, the same could not be quantified / deposited.
According to the information and explanations given to us, no undisputed dues in respect of Income Tax, Wealth Tax, Custom Duty, Excise Duty were outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable.
(b) Dues of sales tax/ income tax/ custom tax / wealth tax / excise duty / cess which have not been paid on account of any dispute are disclosed in Note No. B-2 (viii) of Schedule 18 Notes on Accounts.
- (x) The company does not have accumulated losses as at 31st March, 2010 and has not incurred cash loss during the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank, during the year.
- (xii) According to the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

SUPERHOUSE LIMITED



- (xiii) The provisions of any special statute as applicable to chit fund, nidhi, mutual fund / societies are not applicable to the company.
- (xiv) The company is not dealing / trading in securities.
- (xv) The company has given guarantees aggregating to Rs. 770.06 Lacs for loans taken by its two wholly owned subsidiaries from Banks. The terms and conditions thereof are, prima facie, not prejudicial to the interest of the company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- (xvii) Based on the information and the explanations given to us and on the basis of over all review of the Financial Statements of the company, funds raised for short term purposes have, prima facie, not been used for long term requirement.
- (xviii) During the year 852,668 Equity Shares were allotted on conversion of warrants, excepting the aforesaid the company has not made any preferential allotment of shares during the year to the parties and companies covered in register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, during the year, the company has not issued any Debentures.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Subject to aforesaid, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of these books and proper returns for the purposes of our audit have been received in respect of overseas branch at Azman (U.A.E.) not visited by us;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- d) In our opinion, the financial statements comply with the requirements of the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
- e) In our opinion and based on the information and explanations given to us, none of the directors is disqualified as on 31st March, 2010 from being appointed as director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us during the course of our audit, the said financial statements read together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
 - 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.

For KAPOOR TANDON & CO.,
Chartered Accountants
(Registration No. 000952C)
RAJESH PARASRAMKA
Partner
M.No. 074192

Place : Kanpur
Date : June 5, 2010



SUPERHOUSE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

| Particulars | Schedule No. | As at 31st March, 2010 (Rupees) | As at 31st March, 2009 (Rupees) |
|---|--------------|---------------------------------|---------------------------------|
| I. SOURCES OF FUNDS : | | | |
| 1. Shareholders' Funds | | | |
| a) Capital | 1 | 114,197,718 | 105,671,038 |
| b) Preferential Warrant Money | | 1,446,746 | 3,748,950 |
| c) Reserves and Surplus | 2 | <u>1,048,120,149</u> | <u>1,163,764,613</u> |
| | | | 919,768,565 |
| 2. Loan Funds | | | |
| Secured Loans | 3 | 979,776,173 | 887,011,444 |
| 3. Deferred Tax Liability (Net of Assets) (Refer Note No. B-29 of Schedule 18) | | 98,252,000 | 95,800,000 |
| TOTAL | | <u>2,241,792,786</u> | <u>2,011,999,997</u> |
| II. APPLICATION OF FUNDS : | | | |
| 1. Fixed Assets : | | | |
| a) Gross Block | 4 | 1,779,390,861 | 1,655,176,398 |
| b) Less : Depreciation | | <u>698,048,404</u> | <u>619,387,525</u> |
| c) Net Block | | 1,081,342,457 | 1,035,788,873 |
| d) Capital Work in Progress | | 115,803,808 | 21,776,606 |
| e) Advances for Capital Expenditure | | <u>11,777,046</u> | <u>6,593,933</u> |
| | | 1,208,923,311 | 1,064,159,412 |
| 2. Investments | | | |
| | 5 | 48,033,551 | 47,733,551 |
| 3. Current Assets, Loans and Advances : | | | |
| a) Inventories | 6 | 882,681,736 | 699,857,534 |
| b) Sundry Debtors | 7 | 677,189,294 | 651,997,631 |
| c) Cash and Bank Balances | 8 | 173,909,954 | 132,740,587 |
| d) Other Current Assets | 9 | 83,503,492 | 46,033,671 |
| e) Loans and Advances | 10 | <u>82,954,827</u> | <u>66,115,388</u> |
| TOTAL 'A' | | <u>1,900,239,303</u> | <u>1,596,744,811</u> |
| Less : | | | |
| Current Liabilities and Provisions : | | | |
| a) Liabilities | 11 | 871,977,591 | 668,318,355 |
| b) Provisions | 12 | <u>43,425,788</u> | <u>28,319,422</u> |
| TOTAL 'B' | | <u>915,403,379</u> | <u>696,637,777</u> |
| NET CURRENT ASSETS (A-B) | | <u>984,835,924</u> | <u>900,107,034</u> |
| TOTAL | | <u>2,241,792,786</u> | <u>2,011,999,997</u> |
| Notes on Accounts | 18 | | |

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date attached

For and on behalf of the Board

For **KAPOOR TANDON & CO.**

Chartered Accountants

RAJESH PARASRAMKA

Partner

Place : Kanpur

Date : June 5, 2010

VINAY SANAN

Executive Director

R. K. AGRAWAL

Company Secretary

MUKHTARUL AMIN

Chairman & Managing Director

A. K. AGARWAL

Director (Finance)

SUPERHOUSE LIMITED



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

| Particulars | Schedule No. | 2009-10 (Rupees) | 2008-09 (Rupees) |
|---|--------------|----------------------|----------------------|
| INCOME : | | | |
| a) Sales | 13 | 3,562,518,265 | 3,440,566,216 |
| Less : Excise Duty | | <u>7,828,069</u> | <u>18,003,526</u> |
| b) Other Income | 14 | 36,859,748 | 23,139,185 |
| c) Variation in stocks of Finished Goods and Work in Process | 15 | <u>127,023,850</u> | <u>(38,574,514)</u> |
| TOTAL 'A' | | <u>3,718,573,794</u> | <u>3,407,127,361</u> |
| EXPENDITURE : | | | |
| a) Materials | 16 | 2,220,419,928 | 2,099,433,290 |
| b) Manufacturing, Administrative, Selling and Distribution Expenses | 17 | 1,204,550,229 | 1,103,308,363 |
| c) Depreciation on Fixed Assets | | 87,337,400 | 78,665,159 |
| Less : Withdrawal from Revaluation Reserve | | <u>6,774,056</u> | <u>6,781,854</u> |
| TOTAL 'B' | | <u>3,505,533,501</u> | <u>3,274,624,958</u> |
| PROFIT BEFORE TAX (A-B) | | 213,040,293 | 132,502,403 |
| Provision for Tax | | | |
| – Current Tax | | 74,100,000 | 39,800,000 |
| – Deferred Tax | | 2,452,000 | 13,780,000 |
| – Fringe Benefit Tax | | – | 3,200,000 |
| PROFIT AFTER TAX | | 136,488,293 | 75,722,403 |
| Income Tax relating to earlier years | | (430,671) | 1,171,425 |
| Profit brought forward | | 394,571,130 | 361,958,646 |
| PROFIT AVAILABLE FOR APPROPRIATIONS | | 530,628,752 | 438,852,474 |
| – Transfer to General Reserve | | 100,000,000 | 30,000,000 |
| – Proposed Dividend | | 13,230,000 | 12,206,798 |
| – Dividend Distribution Tax | | 2,197,338 | 2,074,546 |
| Balance carried to Balance Sheet | | 415,201,414 | 394,571,130 |
| Earning per Share (Basic & Diluted) | | 13.23 | 7.87 |
| (Refer Note No. B-28 of Schedule 18) | | | |
| Nominal Value of Equity Share (Rupees) | | 10.00 | 10.00 |
| Notes on Accounts | 18 | | |

The Schedules referred to above form an integral part of the Profit and Loss Account.

As per our report of even date attached

For and on behalf of the Board

For **KAPOOR TANDON & CO.**

Chartered Accountants
RAJESH PARASRAMKA
Partner

Place : Kanpur
Date : June 5, 2010

VINAY SANAN
Executive Director

R. K. AGRAWAL
Company Secretary

MUKHTARUL AMIN
Chairman & Managing Director

A. K. AGARWAL
Director (Finance)



SUPERHOUSE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET

| Particulars | As at 31st March, 2010 (Rupees) | | As at 31st March, 2009 (Rupees) | |
|--|------------------------------------|----------------------|------------------------------------|--------------------|
| SCHEDULE - 1 | | | | |
| CAPITAL | | | | |
| Authorised | | | | |
| 15,000,000 Equity Shares of Rs.10/- each | | <u>150,000,000</u> | | <u>150,000,000</u> |
| Issued and Subscribed | | | | |
| 14,972,718 (14,120,050) Equity Shares of Rs.10/- each | | <u>149,727,180</u> | | <u>141,200,500</u> |
| Paid up | | | | |
| 11,025,000 (10,172,332) Equity Shares of Rs.10/- each | <u>110,250,000</u> | | 101,723,320 | |
| Add : 3,947,718 Equity Shares forfeited | <u>3,947,718</u> | <u>114,197,718</u> | <u>3,947,718</u> | 105,671,038 |
| Of the above | | | | |
| 4,214,542 Equity Shares allotted as fully paid pursuant to the Scheme of Amalgamation without payments being received in cash. | | | | |
| 852,668 (575,749) Shares allotted as fully paid shares during the year on conversion of Preferential warrants. | | | | |
| TOTAL | | <u>114,197,718</u> | | <u>105,671,038</u> |
| SCHEDULE - 2 | | | | |
| RESERVES AND SURPLUS | | | | |
| Capital Reserves | | | | |
| At commencement of the year | | 97,584,241 | | 97,584,241 |
| Securities Premium Account | | | | |
| At commencement of the year | 164,226,241 | | 154,438,508 | |
| Add : Premium on conversion of Preferential Equity Warrants | <u>14,495,356</u> | <u>178,721,597</u> | <u>9,787,733</u> | 164,226,241 |
| General Reserves | | | | |
| At commencement of the year | 200,000,000 | | 170,000,000 | |
| Add : From Profit and Loss Account | <u>100,000,000</u> | <u>300,000,000</u> | <u>30,000,000</u> | 200,000,000 |
| Capital Subsidy | | | | |
| At commencement of the year | | 3,514,584 | | 3,514,584 |
| Revaluation Reserve | | | | |
| At commencement of the year | 59,872,369 | | 66,654,223 | |
| Less : To Profit and Loss Account - Depreciation | <u>6,774,056</u> | <u>53,098,313</u> | <u>6,781,854</u> | 59,872,369 |
| Profit and Loss Account | | | | |
| As per account annexed | | <u>415,201,414</u> | | <u>394,571,130</u> |
| TOTAL | | <u>1,048,120,149</u> | | <u>919,768,565</u> |

SUPERHOUSE LIMITED



SCHEDULES FORMING PART OF BALANCE SHEET

| Particulars | As at 31st March, 2010 (Rupees) | As at 31st March, 2009 (Rupees) |
|---------------------------|------------------------------------|------------------------------------|
| SCHEDULE - 3 | | |
| SECURED LOANS | | |
| 1) From Banks | | |
| a) Working Capital Loans* | 590,438,933 | 534,765,539 |
| b) Term Loans** | 387,328,722 | 347,817,394 |
| Interest Accrued & due | 2,008,518 | 4,225,932 |
| | 389,337,240 | 352,043,326 |
| 2) From Others | | |
| Term Loan*** | - | 202,579 |
| TOTAL | 979,776,173 | 887,011,444 |

Of the above Term Loans Rs.15,56,91,652 (Previous year Rs.11,14,47,388) are repayable within one year.

Working Capital Loans from banks include USD 8,56,164.38 (Previous Year Nil) Foreign Currency Demand Loan.

Term Loan from banks include USD 42,99,886.16 (Previous year USD 3,06,055) Foreign Currency Term Loan.

- * Secured by hypothecation of specific current assets and movable assets of the company both present and future and personal guarantee of two directors.
- ** Secured by equitable mortgage of specific fixed assets and hypothecation of Plant and Machineries and personal guarantee of two directors and includes Rs. 53,26,361 (Previous year Rs. 65,47,112) secured by hypothecation of vehicle financed.
- *** Secured by equitable mortgage of specific fixed assets.



SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE - 4

FIXED ASSETS

(Rupees)

| DESCRIPTION | GROSS BLOCK | | | | DEPRECIATION/AMORTISATION | | | | | NET BLOCK | |
|----------------------|----------------------|--------------------|----------------------|----------------------|---------------------------|-------------------|---------------------|------------------|--------------------|----------------------|----------------------|
| | As at 01.04.2009 | Additions | Sales Adjustments | As at 31.03.2010 | Upto 31.03.2009 | For the year | On Revalu- ation | Adj. | Upto 31.03.2010 | As at 31.03.2010 | As at 31.03.2009 |
| Land Leasehold | 94,919,558 | 6,073,340 | - | 100,992,898 | 8,464,762 | 696,430 | 220,061 | - | 9,381,253 | 91,611,645 | 86,454,796 |
| Land Freehold | 9,940,842 | 1,368,000 | 286,080 | 11,022,762 | - | - | - | - | - | 11,022,762 | 9,940,842 |
| Building : | | | | | | | | | | | |
| Factory | 405,595,532 | 23,050,548 | 1,383,332 | 427,262,748 | 101,162,616 | 11,470,429 | 2,140,371 | 283,991 | 114,489,425 | 312,773,323 | 304,432,916 |
| Non-Factory | 44,256,326 | 7,574,258 | - | 51,830,584 | 4,207,072 | 759,639 | - | - | 4,966,711 | 46,863,873 | 40,049,254 |
| Plant and Machinery | 973,857,801 | 80,997,854 | 5,536,332 | 1,049,319,323 | 441,719,902 | 55,320,345 | 4,413,624 | 3,406,411 | 498,047,460 | 551,271,863 | 532,137,899 |
| Furniture & Fittings | 46,123,016 | 8,426,394 | 1,357,952 | 53,191,458 | 26,409,917 | 4,262,753 | - | 953,472 | 29,719,198 | 23,472,260 | 19,713,099 |
| Vehicles | 55,934,428 | 7,982,795 | 5,207,511 | 58,709,712 | 19,789,772 | 5,206,876 | - | 3,324,477 | 21,672,171 | 37,037,541 | 36,144,656 |
| Computer | 24,548,895 | 3,255,570 | 743,089 | 27,061,376 | 17,633,484 | 2,846,872 | - | 708,170 | 19,772,186 | 7,289,190 | 6,915,411 |
| TOTAL | 1,655,176,398 | 138,728,759 | 14,514,296 | 1,779,390,861 | 619,387,525 | 80,563,344 | 6,774,056 | 8,676,521 | 698,048,404 | 1,081,342,457 | 1,035,788,873 |
| PREVIOUS YEAR | 1,469,543,937 | 189,011,726 | 3,379,265 | 1,655,176,398 | 542,680,253 | 71,883,305 | 6,781,854 | 1,957,887 | 619,387,525 | 1,035,788,873 | - |

(26)

SUPERHOUSE LIMITED

SUPERHOUSE LIMITED



SCHEDULES FORMING PART OF BALANCE SHEET

| Particulars | As at 31st March, 2010 (Rupees) | As at 31st March, 2009 (Rupees) |
|---|------------------------------------|------------------------------------|
| SCHEDULE - 5 | | |
| INVESTMENTS -Long Term | | |
| IN SHARES | | |
| A. QUOTED | | |
| Other Investments | | |
| i. Super Tannery Limited | | |
| 1500(1000) Equity Shares of Rs. 2/- each fully paid | 6,500 | 6,500 |
| ii. Mideast Integrated Steels Limited | | |
| 20,000 Equity Shares of Rs.10/- each fully paid | 400,000 | 400,000 |
| iii. Somani Iron & Steels Limited | | |
| 8,700 Equity Shares of Rs.10/- each fully paid | 261,000 | 261,000 |
| | <u>667,500</u> | <u>667,500</u> |
| Less : Provision for Diminution in value | 637,885 | 637,885 |
| Total (A) | <u>29,615</u> | <u>29,615</u> |
| B. UNQUOTED | | |
| a) Other Investments | | |
| i. Steven Construction Limited | | |
| 16,00,000 Equity Shares of Rs. 10/- each fully paid | 16,000,000 | 16,000,000 |
| 5,00,000 Equity Shares of Rs. 10/- each, Paid up Rs. 2/- each | 1,000,000 | 1,000,000 |
| b) Trade Investments | | |
| i. Unnao Tanneries Pollution Control Company | | |
| 153,080 Equity Shares of Rs.10/- each fully paid | 1,530,800 | 1,530,800 |
| ii. Tritan Leather Works (P) Limited | | |
| 764,300 Equity Shares of Rs.10/- each fully paid | 7,643,000 | 7,643,000 |
| iii. Amin International Ltd. | | |
| 304,900 Equity Shares of Rs.10/- each fully paid | 3,049,000 | 3,049,000 |
| iv. Industrial Infrastructure Services (I) Ltd. | | |
| 185,120 Equity Shares of Rs.10/- each fully paid | 1,851,200 | 1,851,200 |
| v. Kanpur Unnao Leather Cluster Dev. Co. Ltd. | | |
| 50,000 (20,000) Equity Shares of Rs. 10/- each fully paid | 500,000 | 200,000 |
| Total (B) | <u>31,574,000</u> | <u>31,274,000</u> |
| C. IN SUBSIDIARY COMPANIES | | |
| (Unquoted fully paid up) | | |
| i. Superhouse (U.K.) Limited | | |
| 150,000 Ordinary Shares of Sterling Pound 1 each fully paid | 10,618,924 | 10,618,924 |
| ii. Superhouse (USA) International Inc. | | |
| 155 Non assessable Shares, no par value amounting to USD 73,070 | 3,388,324 | 3,388,324 |
| iii. Superhouse Middle East FZC | | |
| 100 Shares of DHR 2000 each fully paid up | 2,419,366 | 2,419,366 |
| iv. Superhouse RO SRL | | |
| 20 Shares @ RON 10 each fully paid up | 3,322 | 3,322 |
| Total (C) | <u>16,429,936</u> | <u>16,429,936</u> |
| Total (A+B+C) | <u>48,033,551</u> | <u>47,733,551</u> |
| Book Value of Quoted Investments | 667,500 | 667,500 |
| Book Value of Unquoted Investments | 48,003,936 | 47,703,936 |
| Market Value of Quoted Investments | 35,990 | 29,615 |
| Movement during the year - | Face Value | Nos. |
| Purchases - | | |
| Equity Share of Kanpur Unnao Leather Cluster Dev. Co. Ltd. | 300,000 | 30,000 |



SUPERHOUSE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET

| Particulars | As at 31st March, 2010 (Rupees) | As at 31st March, 2009 (Rupees) |
|--|------------------------------------|------------------------------------|
| SCHEDULE - 6 | | |
| INVENTORIES | | |
| (As taken, Valued and certified by the Management) | | |
| a) Chemicals, Components and Spare Parts | 127,853,985 | 112,620,757 |
| b) Raw Materials (including in transit) | 191,808,733 | 153,781,023 |
| c) Stock in Process | 321,604,900 | 221,099,725 |
| d) Finished Goods (Including stock at port and/or in transit) | 238,874,704 | 212,356,029 |
| e) Import Entitlements/Licenses in hand | 2,539,414 | - |
| TOTAL | <u>882,681,736</u> | <u>699,857,534</u> |
| SCHEDULE - 7 | | |
| SUNDRY DEBTORS | | |
| (Unsecured) | | |
| a) Debts outstanding for a period exceeding six months Considered Good | 81,061,507 | 101,995,637 |
| considered Doubtful | 2,868,876 | - |
| Less : Provision for Doubtful Debts | <u>2,868,876</u> | <u>-</u> |
| | 81,061,507 | 101,995,637 |
| b) Other Debts- Considered Good (Debtors includes due from Subsidiary Companies Rs.7,42,50,381 previous year Rs. 11,12,57,287) | 596,127,787 | 550,001,994 |
| TOTAL | <u>677,189,294</u> | <u>651,997,631</u> |
| SCHEDULE - 8 | | |
| CASH AND BANK BALANCES | | |
| a) Cash on Hand (as Certified by the Management) | 7,456,640 | 6,229,529 |
| b) Cheques in hand/Remittance in Transit | - | 258,250 |
| c) Balances with Scheduled Banks on- | | |
| I. Current Accounts | 46,696,348 | 45,084,828 |
| II. Unclaimed Dividend Account | 5,432,636 | 4,027,667 |
| III. Margin Money Deposit Accounts (Including FDR worth Rs. 10,74,31,876 previous year Rs.7,41,33,223 held as margin) | 113,919,825 | 76,878,223 |
| IV. Foreign Currency Account (EEFC A/C) | 404,505 | 262,090 |
| TOTAL | <u>173,909,954</u> | <u>132,740,587</u> |
| SCHEDULE - 9 | | |
| OTHER CURRENT ASSETS | | |
| a) Export Incentive Receivable | 61,377,590 | 33,437,179 |
| b) VAT/Sales Tax Receivable | 15,504,034 | 5,610,823 |
| c) Interest Accrued on FDR | 6,621,868 | 6,985,669 |
| | <u>83,503,492</u> | <u>46,033,671</u> |

SUPERHOUSE LIMITED



SCHEDULES FORMING PART OF BALANCE SHEET

| Particulars | As at 31st March, 2010 (Rupees) | As at 31st March, 2009 (Rupees) |
|--|------------------------------------|------------------------------------|
| SCHEDULE - 10 | | |
| LOANS AND ADVANCES | | |
| (Unsecured Considered Good) | | |
| a) Advances recoverable in cash or in kind or for value to be received (Includes advances to Subsidiary Companies Rs. 13,94,721 Previous year Rs.11,42,246) | 69,508,548 | 55,506,772 |
| b) Security Deposits | 9,742,743 | 8,971,016 |
| c) Share Application Money (Pending Allotment) to Subsidiary Companies | 3,703,536 | 1,637,600 |
| TOTAL | <u>82,954,827</u> | <u>66,115,388</u> |

SCHEDULE - 11 LIABILITIES

| | | |
|--|---------------------------|---------------------------|
| a) Sundry Creditors : | | |
| – Due to Micro, Small & Medium Enterprises (Refer Note No. B - 25 of Schedule 18) | - | - |
| – Due to Others | 690,657,760 | 524,906,544 |
| b) Subsidiary Companies | 4,196,103 | 6,535,839 |
| c) Book Overdraft with Banks | 9,080,579 | 190,054 |
| d) Advances from Customers | 12,055,591 | 15,718,349 |
| e) Other Liabilities | 150,514,965 | 116,933,770 |
| f) Unclaimed Dividend @ | 5,432,636 | 4,027,667 |
| g) Interest Accrued but not due on secured loan | 39,957 | 6,132 |
| TOTAL | <u>871,977,591</u> | <u>668,318,355</u> |

@ There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

SCHEDULE - 12 PROVISIONS

| | | | |
|--|--------------------------|--------------------------|--------------------------|
| a) Proposed Dividend | 13,230,000 | 102,721,000 | 12,206,798 |
| b) Provision for Income Tax (including FBT & Wealth Tax) | 175,262,000 | 95,328,429 | 7,392,571 |
| Less : Advance Tax | <u>161,157,206</u> | <u>14,104,794</u> | <u>2,074,546</u> |
| c) Provision for Dividend Distribution Tax | 2,197,338 | 3,264,920 | 3,380,587 |
| d) Provision for Leave Encashment | 4,400,822 | 43,425,788 | 28,319,422 |
| e) Provision for Gratuity | 9,492,834 | <u>43,425,788</u> | <u>28,319,422</u> |
| TOTAL | <u>43,425,788</u> | <u>43,425,788</u> | <u>28,319,422</u> |



SUPERHOUSE LIMITED

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

| Particulars | 2009-10 (Rupees) | 2008-09 (Rupees) |
|----------------------|----------------------|----------------------|
| SCHEDULE - 13 | | |
| SALES | | |
| Sales (Export) | 2,943,702,910 | 2,915,523,887 |
| Sales (Indigenous) | 370,729,313 | 320,701,231 |
| Export Incentive | 248,086,042 | 204,341,098 |
| TOTAL | <u>3,562,518,265</u> | <u>3,440,566,216</u> |

SCHEDULE - 14

OTHER INCOME

| | | |
|---|-------------------|-------------------|
| a) Interest on Fixed Deposit with Banks (Including Income Tax deducted at source Rs. 8,17,434 Previous year Rs. 8,86,299) | 6,573,309 | 5,072,018 |
| b) Interest on Loans & Advances (Including Income Tax deducted at source Rs. 3,38,343 Previous year Rs. 3,00,119) | 676,685 | 621,844 |
| c) Profit on Sale of Fixed Assets | 5,726,906 | 416,937 |
| d) Miscellaneous Income | 7,504,882 | 1,844,166 |
| e) Income from job work | 558,109 | 3,283,800 |
| f) Rent | 1,725,900 | 1,400,400 |
| g) Exchange difference | 14,093,957 | 10,497,590 |
| h) Income (Dividend) from long Term investments-other (Including Income Tax deducted at source Rs. Nil Previous year Rs. Nil) | - | 2,430 |
| TOTAL | <u>36,859,748</u> | <u>23,139,185</u> |

SUPERHOUSE LIMITED



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

| Particulars | 2009-10 (Rupees) | 2008-09 (Rupees) |
|--|---------------------|---------------------|
| SCHEDULE - 15 | | |
| VARIATION IN STOCKS OF FINISHED GOODS AND WORK IN PROCESS | | |
| a) Stock at commencement- | | |
| Finished Goods | 212,356,029 | 198,045,932 |
| Stock in Process | 221,099,725 | 273,984,336 |
| TOTAL 'A' | <u>433,455,754</u> | <u>472,030,268</u> |
| b) Stock at Close- | | |
| Finished Goods | 238,874,704 | 212,356,029 |
| Stock in Process | 321,604,900 | 221,099,725 |
| TOTAL 'B' | <u>560,479,604</u> | <u>433,455,754</u> |
| Increase/(Decrease) in Stocks(B-A) | <u>127,023,850</u> | <u>(38,574,514)</u> |

SCHEDULE - 16

MATERIALS

| | | |
|--|----------------------|----------------------|
| Stock at commencement | 153,781,023 | 168,130,022 |
| ADD : | | |
| Purchases | 1,438,273,444 | 1,371,699,822 |
| | <u>1,592,054,467</u> | <u>1,539,829,844</u> |
| LESS : | | |
| Stock at Close | 191,808,733 | 153,781,023 |
| Raw Material consumed | 1,400,245,734 | 1,386,048,821 |
| Purchase of finished goods for resale | 39,711,517 | 23,262,252 |
| Consumption of Chemicals, Components and Spare Parts | 675,909,923 | 604,218,219 |
| Consumption of Packing Materials | 104,552,754 | 85,903,998 |
| TOTAL | <u>2,220,419,928</u> | <u>2,099,433,290</u> |



SUPERHOUSE LIMITED

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

| Particulars | 2009-10 (Rupees) | 2008-09 (Rupees) |
|---|-----------------------------|-----------------------------|
| SCHEDULE - 17 | | |
| MANUFACTURING, ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES | | |
| Consumable Stores | 51,444,826 | 45,679,920 |
| Manufacturing Expenses | 321,882,081 | 244,453,843 |
| Power and Fuel | 84,714,749 | 79,992,479 |
| Effluent Treatment Expenses | 3,649,197 | 3,492,065 |
| Repairs and Maintenance | | |
| – Building | 6,382,430 | 6,893,082 |
| – Machinery | 24,392,244 | 21,989,625 |
| – Others | <u>14,335,354</u> | <u>10,439,004</u> |
| Rent | 9,568,540 | 8,748,224 |
| Rates and Taxes | 6,612,405 | 19,104,927 |
| Payment to and provision for Employees | | |
| – Salary, Wages and Bonus | 163,576,071 | 149,517,366 |
| – Employer's contribution to Provident and other funds | 22,778,722 | 18,424,340 |
| – Workmen and Staff Welfare expenses | <u>14,216,042</u> | <u>7,031,923</u> |
| Insurance | 6,129,743 | 7,721,649 |
| Travelling and Conveyance | 22,611,509 | 21,441,794 |
| Vehicle Running and Maintenance | 12,032,620 | 10,565,217 |
| Bad Debts | 10,440,313 | 5,351,527 |
| Printing and Stationery | 5,877,734 | 4,275,904 |
| Communication cost | 12,245,259 | 11,679,091 |
| Bank charges | 22,400,611 | 21,471,819 |
| Interest on | | |
| – Term Loan | 27,987,053 | 37,088,485 |
| – Other | <u>32,053,041</u> | <u>46,976,784</u> |
| Legal and Professional Charges | 7,255,946 | 8,331,300 |
| Auditor's Remuneration | 1,062,183 | 989,148 |
| Cost Audit fee | 28,090 | 28,090 |
| Miscellaneous Expenses | 11,850,456 | 7,407,042 |
| Advertisement and Publicity | 5,471,246 | 968,414 |
| Sales and Distribution Expenses | 148,713,983 | 148,289,588 |
| Commission on Sale | 130,549,819 | 129,715,784 |
| (Including Rs. Nil Previous year Rs. Nil paid to Sole Selling Agents) | | |
| Research & Development Expenses | 7,413,417 | 9,870,476 |
| Charity and Donation | 6,004,697 | 4,943,895 |
| Exchange Difference | 8,401,833 | 9,883,464 |
| Loss on Sale of Fixed Assets | 2,468,015 | 542,094 |
| TOTAL | <u>1,204,550,229</u> | <u>1,103,308,363</u> |



SCHEDULE – 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention on accrual basis of accounting in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), Generally Accepted Accounting Principles (GAAP) and the relevant provisions of the Companies Act, 1956.

2. Use of Estimates

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

3. Fixed Assets

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

4. Depreciation

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

5. Impairment of assets

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

6. Capital work in progress

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

7. Investments

Investments are stated at cost of acquisition less provision for diminution in value of quoted Investments.



8. Inventories

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

9. Provisions, Contingent Liabilities and Contingent Assets

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

10. Revenue Recognition

- a) Sales are inclusive of excise duty but net of sales tax, returns and discounts. Domestic sales are recognised on dispatch of goods to customers. Export sales are recognised on the issuance of Bill of Lading/ Airway Bill by the carrier.
- b) Export incentives such as Duty Drawback and benefits under the Duty Exemption Pass Book Scheme etc. are recognised on accrual basis.
- c) Insurance Claims are accounted for on settlement of claims.

11. Government Grants

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

12. Foreign Currency Translations

- a) All foreign currency transactions are recorded at the rates prevailing on the date of the transaction.
- b) All foreign currency assets and liabilities other than investments are restated / reported at the closing exchange rate prevailing on the date of Balance Sheet.
- c) The premium or discount on Forward Exchange Contract is amortised on a straight line method over the period of contract.
- d) Gains and losses arising out of fluctuations in the exchange rates are recognised in Profit and Loss Account.
- e) Investments in wholly owned subsidiaries are carried in Balance sheet at the rates prevailing on the dates of transactions.
- f) Overseas Office
 - i) Revenue items except opening & closing inventory and depreciation: at average exchange rate.
 - ii) Fixed Assets and Depreciation: at exchange rate prevalent at the time of acquisition of the assets.
 - iii) Current Assets and Current Liabilities: at the closing exchange rate prevalent on the date of Balance Sheet.



- iv) The exchange difference resulting from the translations of items in the financial statements of foreign branch are recognised as income or expense as the case may be.

13. Accounting for Retirement Benefits

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

14. Excise Duty

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

15. Borrowing Cost

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

16. Taxation

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

17. Prior Period Items

Prior period items, if material, are disclosed separately.

B. NOTES ON ACCOUNTS:

(Amount in Rupees)

| | 2009-10 | 2008-09 |
|---|--------------|--------------|
| 1. i. Estimated value of contracts remaining to be executed on capital account (net of advances) | 19,15,187 | 33,93,631 |
| ii. Claims against the company not acknowledged as debt | 54,96,764 | 53,81,588 |
| 2. Contingent Liabilities in respect of: | | |
| i. Guarantees issued by the Bank | 1,09,29,896 | 92,01,500 |
| ii. Corporate Guarantee(s) to bank(s) against credit facilities extended to wholly owned subsidiaries in U.K. and UAE | 7,70,05,840 | 8,53,34,040 |
| iii. Letter of Credit opened and outstanding | 17,05,02,134 | 8,07,10,961 |
| iv. Duty on Export obligation pending | 11,69,53,857 | 10,41,29,113 |
| v. Electricity demand pending litigation | 15,83,688 | 33,89,233 |
| vi. Forward Exchange Contracts | 6,61,82,000 | 17,58,06,681 |
| vii. Uncalled Liability on Shares partly paid | 40,00,000 | 40,00,000 |



SUPERHOUSE LIMITED

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

| Nature of Dues | Forum where dispute is pending | Period to which relates | | |
|-------------------------------------|--|-------------------------|-----------|-----------|
| Income Tax | CIT Appeals, Kanpur | A.Y. 2001-02 | 21,86,375 | 21,86,375 |
| | CIT Appeals, Kanpur | A.Y. 2002-03 | 2,10,378 | 2,10,378 |
| | CIT Appeals, Kanpur | A.Y. 2003-04 | 9,81,537 | 9,81,537 |
| | CIT Appeals, Kanpur | A.Y. 2004-05 | Nil | 57,69,822 |
| | CIT Appeals, Kanpur | A.Y. 2005-06 | Nil | 39,85,430 |
| Entry Tax | Sales Tax Appellate Tribunal | 1999-2000 | 8,60,729 | 8,60,729 |
| | | | | |
| U P Trade Tax and Entry Tax | Joint Commissioner of Trade Tax, Kanpur | 2005-2006 | Nil | 5,98,876 |
| U P Trade Tax and Central Sales Tax | Deputy Commissioner of Trade Tax, Kanpur | 1996-1997 | 1,19,738 | 1,19,738 |
| | | 1997-1998 | 3,89,872 | 3,89,872 |
| | | 2002-2003 | 26,503 | Nil |
| Central Sales Tax | Joint Commissioner of Trade Tax, Kanpur | 2001-2002 | 1,51,473 | 1,51,473 |

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

3. Disclosure in respect of Derivative Instruments:

- a) Derivative instruments outstanding : (Foreign Currency in Millions)

| Forward Contracts | | 2009-10 | 2008-09 |
|----------------------------|----------|---------|---------|
| i. Against Exports | USD/INR | 0.43 | 1.72 |
| | EURO/INR | 0.10 | 1.31 |
| ii. Loan Taken – Principal | USD/INR | 0.86 | Nil |

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

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

(Foreign Currency in Millions)

| | USD | | EURO | | GBP | | AED | | Aus \$ | | RON | |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|
| | 09-10 | 08-09 | 09-10 | 08-09 | 09-10 | 08-09 | 09-10 | 08-09 | 09-10 | 08-09 | 09-10 | 08-09 |
| Debtors | 3.27 | 1.54 | 2.23 | 1.55 | 1.56 | 0.69 | - | 0.03 | 0.08 | 0.01 | - | - |
| Creditors | 0.66 | 0.48 | 0.24 | 0.17 | - | 0.04 | - | - | - | - | - | - |
| Other Payables | 0.52 | 0.24 | 0.57 | 0.74 | 0.22 | 0.02 | - | - | 0.01 | * | - | - |
| Loan Taken (Principal) | 0.04 | 0.31 | 0.48 | - | - | - | - | - | - | - | - | - |
| Loan Given (Principal) | 0.11 | - | 0.11 | - | - | - | - | - | - | - | 0.17 | - |
| Cash & Bank Balances | * | * | * | * | * | * | - | - | - | - | - | - |
| Corporate Guarantee | - | - | - | - | - | 0.40 | - | 4.04 | - | - | - | - |

* denotes amount less than 0.01 million

SUPERHOUSE LIMITED



4. Management is of the view that the current assets, loans and advances, if realised in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. Provision for all known liabilities is adequate and not in excess of the amount considered necessary. No provision for losses in Subsidiary Companies has been considered.
5. Confirmation of balances with sundry debtors / creditors, loans and advances and other parties have not been received in few cases.
6. Sundry Debtors include Rs. 56,79,140 (Rs. 89,09,369), which are old and/or the matter is under dispute / litigation. Efforts are being made for recovery; hence no provision for bad and doubtful debts has been considered necessary.
7. Building and Plant and Machinery include Gross Block Rs. 1,79,88,995 (Rs. 1,89,94,054) and Rs. 10,07,184 (Rs. 10,07,184) respectively and Net block Rs. 1,57,17,921 (Rs. 1,67,79,546) and Rs. 7,56,904 (Rs. 7,90,544) respectively in respect of expenditure incurred on capital assets, ownership whereof does not vest with the company.
8. Certain Fixed Assets of the Company were revalued by the Approved Valuer, on the basis of fair market value as on 31.12.1994. Accordingly value of Fixed Assets of the Company was increased by Rs. 1559.30 Lacs (Leasehold Land Rs. 309.83 Lacs, Factory Building Rs. 640.83 Lacs and Plant and Machinery Rs. 608.64 Lacs) and the corresponding amount was credited to the Revaluation Reserve.

9. Disclosure in terms of AS 28

The management has carried out an exercise of identifying the asset that may have been impaired, during the year, in respect of each cash generating unit. On the basis of review carried out by the management, there was no impairment loss on fixed assets during the year.

10. Disclosure in terms of AS 29

The company has recognised contingent liabilities as disclosed in Note No. B-2 above and as such no provision is required to be made. No provision was outstanding as at the beginning and at the end of the year.

11. Disclosure as per clause 32 of the Listing Agreement

Loan and advances in the nature of loan given to subsidiaries, associates and others:

(Figure in Rupees)

| Name of the company | Relationship | Amount outstanding as on 31-03-10 | Maximum balance outstanding during the year |
|---------------------|--------------|-----------------------------------|---|
| Superhouse (USA) | Wholly owned | 20,41,430 | 20,41,430 |
| International Inc. | Subsidiary | (20,90,150) | (20,90,150) |
| Superhouse RO SRL | - do - | 27,23,506 | 27,23,506 |
| | | (6,89,696) | (6,89,696) |

12. Debtors include due from firms in which a director is interested as partner:

(Figure in Rupees)

| | 2009-10 | 2008-09 |
|---------------------|-----------|-------------|
| Shoe House | 90,00,008 | 1,08,22,945 |
| Prime International | 5,60,006 | 17,10,306 |



SUPERHOUSE LIMITED

13. Directors' Remuneration: Total remuneration comprising of :

(Figure in Rupees)

| Particulars | 2009-10 | 2008-09 |
|--------------------------------------|--------------------|-------------|
| Salary | 1,22,34,225 | 1,08,34,051 |
| Contribution to Provident Fund | 12,98,514 | 12,09,935 |
| Perquisites including in kind | 12,71,477 | 10,10,880 |
| Commission | 60,08,421 | 9,99,560 |
| Remuneration to Whole Time Directors | 2,08,12,637 | 1,40,54,426 |
| Sitting Fee | 9,000 | 18,000 |
| Total | 2,08,21,637 | 1,40,72,426 |

14. Computation of Net Profit in accordance with Section 349 read with Section 309 and Section 198 of the Companies Act, 1956:

(Figure in Rupees)

| Particulars | 2009-10 | 2008-09 |
|---|------------------|-----------------|
| Profit before Tax as per Profit and Loss Account | 21,30,40,293 | 13,25,02,403 |
| <i>Add :</i> | | |
| Loss on sale of Fixed Assets as per Accounts | 24,68,015 | 5,42,094 |
| Directors Remuneration | 2,08,12,637 | 1,40,54,426 |
| Depreciation as per Accounts | 8,05,63,344 | 7,18,83,305 |
| Profit on Assets as per Sec. 349 | 8,12,986 | 4,16,937 |
| | 31,76,97,275 | 21,93,99,165 |
| <i>Less :</i> | | |
| Profit on sale of Fixed Assets as per Accounts | 57,26,906 | 4,16,937 |
| Depreciation as per Sec. 350 | 8,05,63,344 | 7,18,83,305 |
| Directors Remuneration as per Sec. 349 | 2,08,12,637 | 1,40,54,426 |
| Loss on Assets as per Sec. 349 | 24,68,015 | 5,42,094 |
| Profit u/s 198 of the Companies Act, 1956 for calculation of Commission payable to Directors | 20,81,26,373 | 13,25,02,403 |
| Maximum commission permissible as per ceiling specified u/s 309(3) of the Companies Act, 1956 | 60,08,421 | 9,99,560 |
| Commission Payable | | |
| – to Mr Mukhtarul Amin (Chairman and Mg. Director) | 30,04,211 | 4,99,780 |
| – to Mr. Zafarul Amin (Jt. Managing Director) | 15,02,105 | 2,49,890 |
| – to Mrs. Sahina Mukhtar (Whole time Director) | 15,02,105 | 2,49,890 |
| Total | 60,08,421 | 9,99,560 |



15. Additional Information : Pursuant to clause 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956:

a) Licensed Capacity, Installed Capacity and Actual Production

(As certified by the management)

| Class of Goods | Unit | Capacity (per Annum) | | Actual |
|------------------|-------|--------------------------|--------------------------|--------------------------|
| | | Licensed * | Installed ** | Production *** |
| Shoe Upper | Pair | 10,00,000 (10,00,000) | 9,12,000 (9,12,000) | 1,48,969 (2,57,774) |
| Leather Hides | Hides | 14,20,000 (8,20,000) | 9,00,000 (9,00,000) | 4,06,037 (3,63,120) |
| Leather skin | Pcs. | 15,00,000 (15,00,000) | 17,50,000 (17,50,000) | 14,08,165 (14,30,976) |
| Shoes | Pairs | 52,00,000 (40,60,000) | 34,22,000 (33,15,301) | 27,32,535 (24,55,247) |
| Leather Products | Pcs. | 50,000 (50,000) | N.A. (N.A) | 1,62,987 (85,090) |
| Textile Garment | Pcs. | 11,00,000 (11,00,000) | 15,30,000 (10,80,000) | 9,41,545 (7,05,414) |
| Animal Feed | MT. | 900 (900) | 270 (270) | 178 (123) |

Notes :

* Per Memorandum of Information filed with Secretariat for Industrial Approvals, Government of India.

** Being technical matter, as certified by the management.

*** Actual Production represents entire production including interdivisional transfers, as it is not possible to ascertain the quantity intended for sale and those intended for internal use.

b) Value of Raw materials, Chemicals Components, Stores & Spare parts consumed during the year :

| PARTICULARS | 2009-10 | | 2008-09 | |
|--|------------------|--------|------------------|--------|
| | Figure in Rupees | % | Figure in Rupees | % |
| Raw Material | | | | |
| Imported | 32,63,82,935 | 23.31% | 29,87,31,379 | 21.55% |
| Indigenous | 1,07,38,62,799 | 76.69% | 108,73,17,442 | 78.45% |
| Chemicals Components, Stores & Spare parts (including Packing Material) | | | | |
| Imported (Direct) | 18,08,25,491 | 23.17% | 11,94,30,575 | 17.31% |
| Indigenous | 59,96,37,186 | 76.83% | 57,06,91,642 | 82.69% |

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.



SUPERHOUSE LIMITED

(Figure in Rupees)

| | <u>2009-10</u> | <u>2008-09</u> | | | | | | | | | | | | | | | |
|--|------------------------|--------------------|--------------------|---------------------------|---------------|------------------------|--------------------|--------------------|---------------------------|-----------|-----------|-------|-----------|----------|-------|-----------|----------|
| c) Earnings in Foreign Exchange- | | | | | | | | | | | | | | | | | |
| Export of goods calculated on FOB Basis | 290,49,39,562 | 285,80,39,932 | | | | | | | | | | | | | | | |
| d) CIF Value of imports | | | | | | | | | | | | | | | | | |
| Raw Materials | 29,97,70,846 | 30,87,44,984 | | | | | | | | | | | | | | | |
| Chemicals, Stores, Components and Spare Parts | 12,55,31,247 | 11,62,46,121 | | | | | | | | | | | | | | | |
| Capital Goods | 4,99,24,175 | 6,06,29,600 | | | | | | | | | | | | | | | |
| Finished Goods | 77,65,507 | 60,60,244 | | | | | | | | | | | | | | | |
| e) Expenditure in Foreign Currency | | | | | | | | | | | | | | | | | |
| - Travelling | 70,49,628 | 73,98,533 | | | | | | | | | | | | | | | |
| - Commission on Sales | 12,33,50,088 | 11,81,01,575 | | | | | | | | | | | | | | | |
| - Interest on Loans | 1,21,63,135 | 27,65,648 | | | | | | | | | | | | | | | |
| - Foreign Bank Charges | 80,82,335 | 74,97,733 | | | | | | | | | | | | | | | |
| - Others | 4,01,14,598 | 3,22,13,107 | | | | | | | | | | | | | | | |
| f) Remittance in foreign currency on account of dividend | Nil | Nil | | | | | | | | | | | | | | | |
| 16. The Ministry of Corporate Affairs, the Government of India vide its Order No. 46/76/2010-CL-III dated 26th March, 2010 issued under Section 211 (4) of the Companies Act, 1956 has exempted the company from the disclosure of quantitative details in compliance of paras 3(i)(a), 3(ii)(a) (1) & (2), 3(ii)(b) and 3(ii)(d) of the part II of Schedule VI to the Companies Act, 1956. | | | | | | | | | | | | | | | | | |
| 17. The Ministry of Corporate Affairs, the Government of India vide its Order No. 47/169/2010-CL-III dated 17th March, 2010 issued under Section 212 (8) of the Companies Act, 1956 has exempted the company from attaching the Balance Sheet and Profit and Loss Account of subsidiaries under Section 212 (1) of the Companies Act, 1956. As per the Order, key details of each subsidiary are attached along with the Statement under Section 212 of the Companies Act, 1956. | | | | | | | | | | | | | | | | | |
| 18. Annual Accounts of the subsidiary companies and related detailed information will be made available to the investors, of the company and subsidiary companies, seeking such information. The Annual Accounts of the subsidiary companies are also kept at head office of the company and that of subsidiary companies for inspection of investors of the company and subsidiary companies. | | | | | | | | | | | | | | | | | |
| 19. Additions to Fixed Assets and Capital Work in Progress includes Rs. 15,11,120 (Rs. 49,18,382) being borrowing costs capitalized in accordance with the AS 16 'Borrowing Costs' issued by ICAI. | | | | | | | | | | | | | | | | | |
| 20. Certain Warrants (convertible in to equal number of equity shares) were allotted during the previous year on preferential basis as per the provisions of the Securities & Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. The detail is as under: | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Year of Issue</th> <th>No. of Warrants issued</th> <th>Rate/Warrant (Rs.)</th> <th>Year of conversion</th> <th>No. of Warrants converted</th> </tr> </thead> <tbody> <tr> <td rowspan="2">2008 - 09</td> <td rowspan="2">19,64,249</td> <td>27.00</td> <td>2008 - 09</td> <td>5,75,749</td> </tr> <tr> <td>27.00</td> <td>2009 - 10</td> <td>8,52,668</td> </tr> </tbody> </table> | | | | | Year of Issue | No. of Warrants issued | Rate/Warrant (Rs.) | Year of conversion | No. of Warrants converted | 2008 - 09 | 19,64,249 | 27.00 | 2008 - 09 | 5,75,749 | 27.00 | 2009 - 10 | 8,52,668 |
| Year of Issue | No. of Warrants issued | Rate/Warrant (Rs.) | Year of conversion | No. of Warrants converted | | | | | | | | | | | | | |
| 2008 - 09 | 19,64,249 | 27.00 | 2008 - 09 | 5,75,749 | | | | | | | | | | | | | |
| | | 27.00 | 2009 - 10 | 8,52,668 | | | | | | | | | | | | | |
| 21. The company has an investment of Rs. 3,322 in the Shares of Superhouse RO SRL, Romania (SRL) a wholly owned subsidiary of the company. Further the company has interest free loans, advances and other receivables amounting to Rs. 27,23,506 recoverable from SRL. The Net worth of SRL has substantially eroded due to operational losses. Considering the fact that invest- | | | | | | | | | | | | | | | | | |

SUPERHOUSE LIMITED



ment is of a strategic nature and business of SRL is in the initial stage, no provision is considered necessary by the management at present, for any diminution in value of investment and also for losses that may arise in respect of advances and other receivables from SRL.

22. Other Liability includes Rs. 66,70,490 (Rs. 18,26,359) and Provisions includes Rs. 6,79,016 (Rs. 16,19,400) being amount payable to directors.

23. Primary Segment Information as per AS 17 'Segment Reporting' issued by ICAI :

a) BUSINESS SEGMENTS :

(Rupees)

| Particulars | Leather & Leather Products | | Textile Garments | | Others | | Total | |
|------------------------------|----------------------------|---------------|------------------|-------------|-------------|------------|---------------|---------------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| Segment Revenue | 3,066,277,346 | 2,959,675,043 | 479,416,036 | 440,235,321 | 8,996,814 | 23,296,059 | 3,554,690,196 | 3,423,206,423 |
| Intra Segment Revenue | - | - | - | - | - | - | - | - |
| Total Revenue | 3,066,277,346 | 2,959,675,043 | 479,416,036 | 440,235,321 | 8,996,814 | 23,296,059 | 3,554,690,196 | 3,423,206,423 |
| Eliminations | - | - | - | - | - | - | - | - |
| Net Revenue | 3,066,277,346 | 2,959,675,043 | 479,416,036 | 440,235,321 | 8,996,814 | 23,296,059 | 3,554,690,196 | 3,423,206,423 |
| Profit Before Tax & Interest | 248,657,283 | 164,403,810 | 27,246,446 | 50,056,933 | (2,823,342) | 2,106,929 | 273,080,387 | 216,567,672 |
| Interest Expenses | (52,985,601) | (77,342,744) | (6,931,123) | (6,543,855) | (123,370) | (178,670) | (60,040,094) | (84,065,269) |
| Profit Before Tax | 195,671,682 | 87,061,066 | 20,315,323 | 43,513,078 | (2,946,712) | 1,928,259 | 213,040,293 | 132,502,403 |
| Segment Assets | 2,816,545,785 | 2,446,202,822 | 320,289,435 | 245,305,917 | 20,360,945 | 17,129,035 | 3,157,196,165 | 2,708,637,774 |
| Segment Liabilities | 1,783,715,310 | 1,554,557,328 | 192,639,069 | 112,528,335 | 17,077,173 | 12,363,558 | 1,993,431,552 | 1,679,449,221 |
| Capital Expenditure | 214,377,061 | 134,621,350 | 21,903,322 | 17,431,962 | 1,658,691 | 43,587 | 237,939,074 | 152,096,899 |
| Depreciation | 73,026,743 | 66,016,353 | 7,074,373 | 5,471,587 | 462,228 | 395,365 | 80,563,344 | 71,883,305 |

b) GEOGRAPHICAL SEGMENTS :

| Particulars | Within India | | Outside India | | Total | |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| External | 610,987,286 | 507,682,536 | 2,943,702,910 | 2,915,523,887 | 3,554,690,196 | 3,423,206,423 |
| Inter Segments | - | - | - | - | - | - |
| Total Revenue | 610,987,286 | 507,682,536 | 2,943,702,910 | 2,915,523,887 | 3,554,690,196 | 3,423,206,423 |
| Eliminations | - | - | - | - | - | - |
| Net Revenue | 610,987,286 | 507,682,536 | 2,943,702,910 | 2,915,523,887 | 3,554,690,196 | 3,423,206,423 |
| Carrying amount of Segment Assets | 3,156,792,462 | 2,707,865,801 | 403,703 | 771,973 | 3,157,196,165 | 2,708,637,774 |
| Segment Liabilities | 1,993,431,552 | 1,679,160,304 | - | 288,917 | 1,993,431,552 | 1,679,449,221 |
| Capital Expenditure | 237,939,074 | 152,096,899 | - | - | 237,939,074 | 152,096,899 |
| Depreciation on Fixed Assets | 80,563,344 | 71,883,305 | - | - | 80,563,344 | 71,883,305 |

24. Fixed Assets given on Operating Lease:

(Amount in Rupees)

| | Building Factory | | Plant & Machinery | |
|--------------------------------|------------------|-----------|-------------------|------------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| i. Gross Carrying Amount | 51,01,357 | 51,01,357 | 281,24,302 | 281,24,302 |
| ii. Accumulated Depreciation | 16,32,939 | 14,62,554 | 178,16,586 | 157,12,353 |
| iii. Depreciation for the year | 1,70,385 | 1,70,385 | 21,04,233 | 21,04,233 |
| iv. Impairment Losses | Nil | Nil | Nil | Nil |



SUPERHOUSE LIMITED

25. The company has requested confirmation from Suppliers regarding their registration (filing of Memorandum) under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). According to the information available with the company there was no amount (principal and/or interest) due to any micro/small enterprises (SME as defined in the Act) as at the end of the year. There is no delay in payment to SME during the year. No interest was paid/payable on account of delay in payment to SME during the year in terms of the Section 16 of the Act.
26. The related party disclosure in accordance with AS 18 'Related Party Disclosures' issued by ICAI, is given below:

A. Relationship

i. Subsidiary (Wholly owned) Company :

- a) Superhouse (U.K.) Ltd., UK
- b) Superhouse (USA) International Inc., USA
- c) Superhouse Middle East FZC, Azman
- d) Superhouse Ro SRL, Romania

ii. Joint Ventures & Associates :

Joint Venture : Nil

Associates :

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

iii. Key Management Personnel & Relatives :

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

SUPERHOUSE LIMITED



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

| Particulars | Subsidiary Companies | | Associates | |
|---|----------------------|----------------|-------------|----------------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| Purchases of Materials/Finished Goods | - | - | 3,52,22,879 | 1,94,65,301 |
| Sale of Materials/Finished Goods | 13,85,25,884 | 18,73,12,038 | 6,71,96,153 | 8,23,23,994 |
| Purchase of Fixed Assets | - | - | 1,51,298 | 3,04,969 |
| Services rendered/other receipts | - | - | 1,95,751 | 4,61,210 |
| Services availed | 1,52,75,112 | 42,13,768 | 38,62,003 | 27,70,389 |
| Investments (incl. Share Application Money) | 20,65,936 | 3,322 | - | - |
| Rent received | - | - | 2,19,540 | 2,00,400 |
| Interest Paid | - | - | - | 1,58,182 |
| Advance (Loan Given) | - | 6,89,696 | - | - |
| Preferential Issue of Warrants / Shares | | | | |
| - Amount Received | - | - | 89,07,262 | 41,95,773 |
| Balances at the end of the year: | | | | |
| Receivables (including Advances) | 7,56,45,102 | 11,23,99,533 | 2,94,28,254 | 2,77,92,597 |
| Payables | 41,96,103 | 65,35,839 | 1,43,45,644 | 70,97,750 |
| Share Application Money (advance) | 37,03,536 | 16,37,600 | - | - |
| Investments | 1,64,29,936 | 1,64,29,936 | 2,76,92,000 | 2,92,22,800 |
| Guarantees given | - | 8,53,34,040 | - | - |
| Key Management Personnel and relatives: | | | | |
| Particulars | | 2009-10 | | 2008-09 |
| Rent paid | | 14,89,500 | | 10,20,250 |
| Remuneration to whole time Directors @ | | 2,08,12,637 | | 1,40,54,426 |
| Preferential Issue of Warrants / Shares | | | | |
| - Amount Received | | 27,21,600 | | 33,26,400 |
| Remuneration Payable (including Provisions) | | 73,49,042 | | 34,45,759 |

@ Details of remuneration paid to whole time directors are given in Note No. B-13 above

27. Auditors' Remuneration :

(Figure in Rupees)

| Particulars | 2009-10 | 2008-09 |
|-----------------------------|-----------|----------|
| Audit Fee | 7,16,950 | 7,16,477 |
| Tax Audit Fee | 82,725 | 78,652 |
| Other Professional Services | 2,62,508 | 1,94,019 |
| Total | 10,62,183 | 9,89,148 |

28. Calculation of Earning Per Share (EPS) as per AS 20 'Earning Per Share' issued by ICAI :

| Particulars | 2009-10 | 2008-09 |
|---|--------------|-------------|
| Number of Equity shares for the purpose of calculation of EPS (weighted average number of shares) | 1,03,14,833 | 96,21,821 |
| Nominal Value of Equity Share (Rs.) | 10.00 | 10.00 |
| Profit after Tax (Rs.) | 13,64,88,293 | 7,57,22,403 |
| EPS - Basic and Diluted (Rs.) | 13.23 | 7.87 |



SUPERHOUSE LIMITED

29. The components of Deferred Tax Assets and Liabilities are as under :

(Amount in Rupees)

| Particulars | As on 31-03-2010 | As on 31-03-2009 |
|---|---------------------|---------------------|
| Deferred Tax Liabilities | | |
| On account of | | |
| – Depreciation | 10,43,18,000 | 9,80,59,000 |
| Sub Total 'A' | 10,43,18,000 | 9,80,59,000 |
| Deferred Tax Assets | | |
| On account of | | |
| – Provision for Doubtful Debts | 9,53,000 | Nil |
| – Provision for Gratuity | 31,53,000 | 11,49,000 |
| – Others | 19,60,000 | 10,10,000 |
| Sub Total 'B' | 60,66,000 | 22,59,000 |
| Net Deferred Tax Liability (A– B) @ | 9,82,52,000 | 9,58,00,000 |
| Deferred Tax Liability for the current year | 24,52,000 | 1,37,80,000 |

@ In accordance with clause 29 of AS 22 Deferred Tax Assets and Deferred Tax Liability have been set off.

30. Disclosure of employee benefits as per AS 15 (Employees Benefit) issued by ICAI is as under:

(Amount in Rupees)

| | 2009-10 | 2008-09 |
|---------------------------------------|-----------|-----------|
| Defined Contribution Plan: | | |
| Employer's Contribution to PF and FPF | 94,32,433 | 84,16,239 |
| Employer's Contribution to ESI | 33,71,739 | 27,53,459 |

Defined Benefit Plan :

The employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the trust maintained with LIC. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(Amount in Rupees)

| | 2009-10 | 2008-09 |
|--|-------------|-------------|
| Reconciliation of Opening and Closing balance of present value of defined benefit obligation for Gratuity | | |
| Present Value of Obligation at beginning of the year | 10,191,605 | 15,991,550 |
| Current Service Cost | 27,85,168 | 2,272,279 |
| Interest Cost | 8,15,328 | 1,279,324 |
| Benefits paid | (17,63,893) | (1,759,658) |
| Actuarial (Gain)/Loss on Obligations | 51,33,313 | (7,591,890) |
| Present Value of Obligation at end of the year | 1,71,61,521 | 10,191,605 |

SUPERHOUSE LIMITED



| Reconciliation of Opening and Closing Fair Value of Plan Assets | | |
|--|-------------|-------------|
| Fair Value of Plan Assets at beginning of the year | 6,811,018 | 6,235,896 |
| Expected Return on Plan Assets | 5,50,993 | 486,911 |
| Contributions | 20,70,569 | 1,847,869 |
| Benefit Paid | (17,63,893) | (1,759,658) |
| Actuarial Gain / (Loss) on Plan Assets | - | - |
| Fair Value of Plan Assets at end of the year | 76,68,687 | 6,811,018 |
| Reconciliation of Present Value of Obligations and Fair Value of Plan Assets | | |
| Fair Value of Plan Assets at end of the year | 76,68,687 | 6,811,018 |
| Present Value of Obligation at end of the year | 1,71,61,521 | 10,191,605 |
| Asset/(Liability) recognised in the Balance Sheet | (94,92,834) | (3,380,587) |
| Expenses recognised during the year | | |
| Current Service Cost | 27,85,168 | 2,272,279 |
| Interest Cost | 8,15,328 | 1,279,324 |
| Expected Return on Plan Assets | (5,50,993) | (486,911) |
| Past Service Cost | - | 194,055 |
| Total Actuarial Loss/(Gain) recognised during the year | 51,33,313 | 3,380,587 |
| Net Cost recognised in Profit and Loss Account | 81,81,816 | 6,639,334 |
| Assumptions | | |
| Discount Rate (p.a.) | 8% | 8% |
| Expected Rate of increase in Salary (p.a.) | 5% | 5% |

31. Previous year's figures have been regrouped wherever necessary.
32. Figure in the brackets pertains to previous year.
33. The statement on particulars required to be furnished as per the provisions of part IV of Schedule VI to the Companies Act, 1956 is attached

Signatures to Schedules 1 to 18

As per our report of even date attached

For and on behalf of the Board

For **KAPOOR TANDON & CO.**

Chartered Accountants

RAJESH PARASRAMKA

Partner

Place : Kanpur

Date : June 5, 2010

VINAY SANAN
Executive Director

R. K. AGRAWAL
Company Secretary

MUKHTARUL AMIN
Chairman & Managing Director

A. K. AGARWAL
Director (Finance)



SUPERHOUSE LIMITED

Cash Flow Statement for the year ended 31st March 2010

| Particulars | 2009-10 (Rupees) | 2008-09 (Rupees) |
|--|----------------------|----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| NET PROFIT BEFORE TAX | 213,040,293 | 132,502,403 |
| ADJUSTMENTS FOR : | | |
| Depreciation | 80,563,344 | 71,883,305 |
| Interest - Paid | 60,040,094 | 84,065,269 |
| Interest - Earned | (7,249,994) | (5,693,862) |
| Income from Long term Investments received | — | (2,430) |
| Fixed Assets - Loss on sale | 2,468,015 | 542,094 |
| Fixed Assets - Profit on sale | (5,726,906) | (416,937) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 343,134,846 | 282,879,842 |
| ADJUSTMENTS FOR : | | |
| Trade and Other receivables | (78,975,761) | (13,846,221) |
| Inventories | (182,824,202) | 76,952,039 |
| Trade Payables | 209,702,416 | 16,361,826 |
| CASH GENERATED FROM OPERATIONS | 291,037,299 | 362,347,486 |
| Income Tax Paid (net of Refunds) | (68,018,448) | (40,445,657) |
| NET CASH FROM OPERATING ACTIVITIES | 223,018,851 | 321,901,829 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets(including CWIP) | (237,939,073) | (152,096,899) |
| Sale of Fixed Assets | 9,096,665 | 1,296,221 |
| Purchase of Investments | (300,000) | (403,322) |
| Income from Long term Investments received | — | 2,430 |
| Interest received | 7,249,994 | 5,693,862 |
| Loans given | (525,162) | (937,642) |
| NET CASH USED IN INVESTING ACTIVITIES | (222,417,576) | (146,445,350) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Preferential Warrants Money (including premium) | 20,719,832 | 19,294,173 |
| Proceeds from Long term Borrowings | 172,996,911 | 254,040,241 |
| Repayments from Long term Borrowings | (133,688,162) | (289,466,251) |
| Net Increase/(Decrease) in cash/ Export credit facilities and short term loans | 53,455,980 | (11,907,349) |
| Interest paid | (60,040,094) | (84,065,269) |
| Dividend paid | (10,801,829) | (8,422,796) |
| Dividend Distribution Tax paid | (2,074,546) | (1,630,940) |
| NET CASH FLOW USED IN FINANCING ACTIVITIES | 40,568,092 | (122,158,191) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 41,169,367 | 53,298,288 |
| OPENING CASH AND CASH EQUIVALENTS | 132,740,587 | 79,442,299 |
| CLOSING CASH AND CASH EQUIVALENTS | 173,909,954 | 132,740,587 |

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..

As per our report of even date

For and on behalf of the Board

For **KAPOOR TANDON & CO.**

Chartered Accountants

RAJESH PARASRAMKA

Partner

Place : Kanpur

Date : June 5, 2010

VINAY SANAN

Executive Director

R. K. AGRAWAL

Company Secretary

MUKHTARUL AMIN

Chairman & Managing Director

A. K. AGARWAL

Director (Finance)

SUPERHOUSE LIMITED



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

| Name of Subsidiary | Superhouse (U.K.) Limited | Superhouse (USA) International Inc. | Superhouse Middle East FZC | Superhouse SRL Romania |
|--|---|--|---|--|
| 1. Financial Year of the subsidiary ended on | 31st March, 2010 | 31st March, 2010 | 31st March, 2010 | 31st March, 2010 |
| 2. Dates from which they became Subsidiary Companies | 1st April, 1999 | 26th June, 2001 | 19th October, 2005 | 10th November, 2008 |
| 3. (a) Number of Shares held by Superhouse Limited in the subsidiaries at the end of the financial year | 150000 Ordinary Shares of Sterling Pound 1 each fully paid up | 155 Non Assessable shares, no par value amounting to USD 73070 | 100 fully paid up Shares of DHR 2000 each | 20 fully paid up shares of RON 10 each |
| (b) Extent of interest of holding company at the end of financial year of the Subsidiary Companies | 100.00% | 100.00% | 100.00% | 100.00% |
| 4. Net aggregate amount of Subsidiary Companies Profit / (Losses) after tax so far as it concerns the members of Holding Companies | | | | |
| (a) Not dealt with in the Holding Company's accounts | | | | |
| (i) For the financial year ended 31st March 2010 | Profit Rs. 10201349.00 | Profit Rs. 1878761.00 | Profit Rs. 2736882.00 | Loss Rs. 2054872.00 |
| (ii) For the Previous financial years of the subsidiary companies since they became the Holding Company's subsidiary | Loss Rs. 3379217.00 | Loss Rs. 2833841.00 | Profit Rs. 12033874.00 | Loss Rs. 284426.00 |
| (b) Dealt with in the Holding Company's accounts | | | | |
| (i) For the financial year ended 31st March 2010 | NIL | NIL | NIL | NIL |
| (ii) For the Previous financial years of the subsidiary companies since they became the Holding Company's subsidiary | NIL | NIL | NIL | NIL |



SUPERHOUSE LIMITED

Details of Subsidiary Companies

(Rupees)

| S. No. | Name of Subsidiary Company | Superhouse Middle East FZC | Superhouse (UK) Limited | Superhouse (USA) International INC. | Superhouse (SRL) Romania |
|---|-------------------------------|----------------------------|-------------------------|-------------------------------------|--------------------------|
| 1. | Capital | 2,419,366 | 10,618,924 | 3,388,324 | 3,322 |
| 2. | Share Application Money | – | – | 1,637,600 | 2,065,936 |
| 3. | Reserves | 14,770,756 | 22,727,990 | (955,080) | (2,339,298) |
| 4. | Loan Funds | 4,738,259 | – | 403,830 | 657,570 |
| 5. | Total Liabilities | 21,928,381 | 33,346,914 | 4,474,674 | 387,530 |
| 6. | Total Assets | 21,928,381 | 33,346,914 | 4,474,674 | 387,530 |
| 7. | Investments | – | – | – | – |
| 8. | Turnover/Total Income | 77,086,361 | 170,224,114 | 4,673,943 | 92,259 |
| 9. | Profit/(Loss) Before Taxation | 2,736,882 | 14,298,262 | 1,878,761 | (2,024,778) |
| 10. | Provision for Taxation | – | 4,096,913 | – | 30,094 |
| 11. | Profit/(Loss) After Taxation | 2,736,882 | 10,201,349 | 1,878,761 | (2,054,872) |
| 12. | Proposed Dividend | – | – | – | – |
| Exchange Rate as on 31.03.2010 : 1 AED= Rs. 12.27 | | | | | |
| Exchange Rate as on 31.03.2010 : 1 GBP= Rs. 68.03 | | | | | |
| Exchange Rate as on 31.03.2010 : 1 USD= Rs. 45.14 | | | | | |
| Exchange Rate as on 31.03.2010 : 1 RON= Rs. 14.92 | | | | | |

Notes :

| | | | | |
|-----------------------------|------|------|------|------|
| Interest in Holding Company | 100% | 100% | 100% | 100% |
|-----------------------------|------|------|------|------|

For and on behalf of the Board

VINAY SANAN
Executive Director

MUKHTARUL AMIN
Chairman & Managing Director

Place : Kanpur
Date : June 5, 2010

R. K. AGRAWAL
Company Secretary

A. K. AGARWAL
Director (Finance)

SUPERHOUSE LIMITED



ADDITIONAL INFORMATION PURSUANT TO PROVISIONS OF SCHEDULE VI PART IV OF THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I) Registration Details

Registration No. : State Code

Balance Sheet Date
 Date Month Year

II) Capital Raised during the year Amount Rs. in Thousands

Public Issue Right Issue

Private Placement Bonus Issue

III) Position of Mobilisation and Deployment of Funds (Amount Rs. in Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserve and Surplus

Secured Loans Deferred Tax Liability

Unsecured Loans

Application of Funds

Net Fixed Assets Investments

Net Current Assets Misc. Expenditure

IV) Performance of the Company (Amount Rs. in Thousands)

Turnover (Including Other Income) Total Expenditure

Profit/Loss before Tax Profit/Loss After Tax

(Please tick appropriate box, + For Profit – for Loss)

Earning per Share (Rs.) Dividend Rate %

V) Generic Names of three principal

Products of Company/Services of Company

Item Code No.(ITC Code)

Product Description

Item Code No.(ITC Code)

Product Description

Item Code No.(ITC Code)

Product Description

As per our report of even date attached

For and on behalf of the Board

For **KAPOOR TANDON & CO.**

Chartered Accountants
RAJESH PARASRAMKA
 Partner

Place : Kanpur
 Date : June 5, 2010

VINAY SANAN
 Executive Director

R. K. AGRAWAL
 Company Secretary

MUKHTARUL AMIN
 Chairman & Managing Director

A. K. AGARWAL
 Director (Finance)

SUPERHOUSE LIMITED

Kapoor Tandon & Co.
Chartered Accountants

24/57, First Floor, Birhana Road
(Opp. Central Chest Clinic), Kanpur 208 001
Ph. : 2361244 • Fax : (0512) 2361244
Email : nkapoornarendra@rediffmail.com

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors
Superhouse Limited

1. We have examined the attached Consolidated Balance Sheet of Superhouse Limited and its subsidiaries (the Superhouse Group) as at 31st March 2010 and also the Consolidated Profit and Loss Account and Cash Flow Statement of the Group for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In respect of the financial statements of certain subsidiaries, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of other auditors. The details of assets and revenues in respect of these subsidiaries are given below:

| | Rupees in Lacs | |
|------------------------------|----------------|----------------|
| Names of the Companies | Total Assets | Total Revenues |
| i. Superhouse (U.K.) Limited | 970.36 | 1,702.24 |
| ii. Superhouse RO, SRL | 4.43 | 0.92 |

4. We report that the consolidated financial statements have been prepared by the Group in accordance with the requirements of the Accounting Standard (AS) 21- 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India and on the basis of the separate audited / certified financial statements of the Superhouse Group included in the consolidated financial statements.
5. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on the individual audited financial statements of the Superhouse Group, we are of the

SUPERHOUSE LIMITED



opinion, that the consolidated financial statements read together with other notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Superhouse Group as at 31st March, 2010;
- (b) in the case of Consolidated Profit and Loss Account, of the consolidated results of operations of the Superhouse Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Superhouse Group for the year ended on that date.

Place : Kanpur
Date : June 5, 2010

For **KAPOOR TANDON & CO.,**
Chartered Accountants
(Registration No. 000952C)
RAJESH PARASRAMKA
Partner
M.No. 074192



SUPERHOUSE LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

| Particulars | Schedule No. | As at 31st March, 2010 (Rupees) | As at 31st March, 2009 (Rupees) |
|---|--------------|------------------------------------|------------------------------------|
| I. SOURCES OF FUNDS : | | | |
| 1. Shareholders' Funds | | | |
| a) Capital | 1 | 114,197,718 | 105,671,038 |
| b) Preferential Warrant Money | | 1,446,746 | 3,748,950 |
| c) Reserves and Surplus | 2 | <u>1,085,975,199</u> | <u>941,459,065</u> |
| 2. Loan Funds | | | |
| Secured Loans | 3 | 984,514,432 | 892,238,512 |
| 3. Deferred Tax Liability (net of assets) (Refer Note No. D - 12 of Schedule 19) | | 98,252,000 | 95,800,000 |
| TOTAL | | <u>2,284,386,095</u> | <u>2,038,917,565</u> |
| APPLICATIONS OF FUNDS | | | |
| 1. Fixed Assets : | | | |
| a) Gross Block | 4 | 1,815,002,857 | 1,687,988,975 |
| b) Less : Depreciation | | <u>702,704,112</u> | <u>623,840,147</u> |
| c) Net Block | | 1,112,298,745 | 1,064,148,828 |
| d) Capital Work in Progress | | 115,803,808 | 21,776,606 |
| e) Advances for Capital Expenditure | | <u>11,777,046</u> | <u>6,593,933</u> |
| 2. Investments | | | |
| | | 1,239,879,599 | 1,092,519,367 |
| | | <u>35,254,299</u> | <u>31,551,869</u> |
| 3. Current Assets, Loans and Advances : | | | |
| a) Inventories | 6 | 904,124,049 | 727,819,284 |
| b) Sundry Debtors | 7 | 701,490,850 | 652,984,741 |
| c) Cash and Bank Balances | 8 | 177,115,806 | 137,594,157 |
| d) Other Current Assets | 9 | 85,805,972 | 46,387,625 |
| e) Loans and Advances | 10 | <u>84,434,402</u> | <u>70,292,090</u> |
| TOTAL 'A' | | <u>1,952,971,079</u> | <u>1,635,077,897</u> |
| Less : | | | |
| Current Liabilities and Provisions : | | | |
| a) Liabilities | 11 | 900,293,094 | 691,961,720 |
| b) Provisions | 12 | <u>43,425,788</u> | <u>28,291,007</u> |
| TOTAL 'B' | | <u>943,718,882</u> | <u>720,252,727</u> |
| NET CURRENT ASSETS (A-B) | | 1,009,252,197 | 914,825,170 |
| 4. Miscellaneous Expenditure (To the extent not written off or adjusted) | 13 | - | 21,159 |
| TOTAL | | <u>2,284,386,095</u> | <u>2,038,917,565</u> |
| Notes on Accounts | 19 | - | - |

The schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For and on behalf of the Board

For **KAPOOR TANDON & CO.**

Chartered Accountants
RAJESH PARASRAMKA
Partner

Place : Kanpur
Date : June 5, 2010

VINAY SANAN
Executive Director

R. K. AGRAWAL
Company Secretary

MUKHTARUL AMIN
Chairman & Managing Director

A. K. AGARWAL
Director (Finance)

SUPERHOUSE LIMITED



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

| Particulars | Schedule No. | 2009-10 (Rupees) | 2008-09 (Rupees) |
|---|--------------|----------------------|----------------------|
| INCOME : | | | |
| a) Sales | 14 | 3,654,476,327 | 3,501,870,211 |
| Less : Excise Duty | | <u>7,828,069</u> | <u>18,003,526</u> |
| b) Other Income | 15 | 43,177,367 | 30,749,158 |
| c) Variation in stocks of Finished Goods and Work in Process | 16 | 120,504,413 | (38,324,266) |
| TOTAL 'A' | | <u>3,810,330,038</u> | <u>3,476,291,577</u> |
| EXPENDITURE: | | | |
| a) Materials | 17 | 2,262,875,555 | 2,127,943,581 |
| b) Manufacturing, Administrative, Selling and Distribution Expenses | 18 | 1,235,614,110 | 1,132,462,747 |
| c) Depreciation on Fixed Assets | | 88,685,009 | 79,214,961 |
| Less : Withdrawal from Revaluation Reserve | | <u>6,774,056</u> | <u>6,781,854</u> |
| TOTAL 'B' | | <u>3,580,400,618</u> | <u>3,332,839,435</u> |
| PROFIT BEFORE TAX (A-B) | | 229,929,420 | 143,452,142 |
| Provision for Tax | | | |
| - Current Tax | | 78,227,007 | 40,181,894 |
| - Deferred Tax | | 2,452,000 | 13,780,000 |
| - Fringe Benefit Tax | | - | 3,200,000 |
| PROFIT AFTER TAX | | 149,250,413 | 86,290,248 |
| Taxes relating to earlier years | | (430,671) | 1,171,425 |
| Share of Profits of Associates | | 3,402,430 | (207,776) |
| Profit brought forward | | 400,355,772 | 359,485,679 |
| PROFIT AVAILABLE FOR APPROPRIATIONS | | 552,577,944 | 446,739,576 |
| General Reserve | | 100,000,000 | 30,000,000 |
| Proposed Dividend | | 13,230,000 | 14,309,258 |
| Dividend Distribution Tax | | 2,197,338 | 2,074,546 |
| Balance carried to Balance Sheet | | 437,150,606 | 400,355,772 |
| Earning per Share (Basic & Diluted) | | 14.47 | 8.97 |
| (Refer Note No. D - 18 of Schedule 19) | | | |
| Nominal Value of Equity Share (Rupees) | | 10.00 | 10.00 |
| Notes on Accounts | 19 | | |

The Schedules referred to above form an integral part of the Profit and Loss Account.

As per our report of even date attached

For and on behalf of the Board

For **KAPOOR TANDON & CO.**

Chartered Accountants
RAJESH PARASRAMKA
Partner

Place : Kanpur
Date : June 5, 2010

VINAY SANAN
Executive Director

R. K. AGRAWAL
Company Secretary

MUKHTARUL AMIN
Chairman & Managing Director

A. K. AGARWAL
Director (Finance)



SUPERHOUSE LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

| Particulars | As at 31st March, 2010 (Rupees) | As at 31st March, 2009 (Rupees) |
|---|------------------------------------|------------------------------------|
| SCHEDULE - 1 | | |
| CAPITAL | | |
| Authorised | | |
| 15,000,000 Equity Shares of Rs.10/- each | <u>150,000,000</u> | <u>150,000,000</u> |
| Issued and Subscribed | | |
| 14,972,718 (14,120,050) Equity Shares of Rs.10/- each | <u>149,727,180</u> | <u>141,200,500</u> |
| Paid up | | |
| 11,025,000 (10,172,332) Equity Shares of Rs.10/- each | <u>110,250,000</u> | 101,723,320 |
| Add : 3,947,718 Equity shares forfeited | <u>3,947,718</u> | <u>3,947,718</u> |
| Of the above | 114,197,718 | 105,671,038 |
| 4,214,542 Equity Shares allotted as fully paid pursuant to the Scheme of amalgamation without payments being received in cash | | |
| 852,668 (575,749) Shares allotted as fully paid shares during on conversion of Preferential warrants | | |
| TOTAL | <u>114,197,718</u> | <u>105,671,038</u> |
| SCHEDULE - 2 | | |
| RESERVES AND SURPLUS | | |
| Capital Reserves | | |
| At commencement of the year | 97,584,241 | 97,584,241 |
| Securities Premium Account | | |
| At commencement of the year | 164,226,241 | 154,438,508 |
| Add : Premium on conversion of Preferential Equity Shares | <u>14,495,356</u> | <u>9,787,733</u> |
| | 178,721,597 | 164,226,241 |
| General Reserves | | |
| At commencement of the year | 200,000,000 | 170,000,000 |
| Add : From Profit and Loss Account | <u>100,000,000</u> | <u>30,000,000</u> |
| | 300,000,000 | 200,000,000 |
| Capital Subsidy | | |
| At commencement of the year | 3,514,584 | 3,514,584 |
| Revaluation Reserve | | |
| At commencement of the year | 75,778,227 | 82,560,081 |
| Less: To Profit and Loss Account - Depreciation | <u>6,774,056</u> | <u>6,781,854</u> |
| | 69,004,171 | 75,778,227 |
| Profit and Loss Account | | |
| As per account annexed | <u>437,150,606</u> | <u>400,355,772</u> |
| TOTAL | <u>1,085,975,199</u> | <u>941,459,065</u> |

SUPERHOUSE LIMITED



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

| Particulars | As at 31st March, 2010 (Rupees) | As at 31st March, 2009 (Rupees) |
|---------------------------|------------------------------------|------------------------------------|
| SCHEDULE - 3 | | |
| SECURED LOANS | | |
| 1) From Banks | | |
| a) Working Capital Loans* | 594,421,900 | 539,382,206 |
| b) Term Loans** | 388,084,014 | 348,427,795 |
| Interest Accrued & Due | 2,008,518 | 4,225,932 |
| 2) From Others | | |
| Term Loans*** | - | 202,579 |
| TOTAL | 984,514,432 | 892,238,512 |

Of the above Term loans Rs.15,69,12,927 (Previous year Rs. 11,52,24,630) are repayable within one year

Working Capital Loans from banks include 8,56,164.38 (Previous year Nil) Foreign Currency Demand Loan

Term Loan from banks include USD 42,99,886.16 (Previous year USD 3,06,055) Foreign Currency Term Loan.

* Secured by hypothecation of specific current assets and movable assets of the company both present and future and personal guarantee of two directors.

** Secured by equitable mortgage of specific fixed assets and hypothecation of Plant and Machineries and personal guarantee of two directors and includes Rs. 53,26,361 (Previous year Rs. 65,47,112) secured by hypothecation of vehicle financed.

*** Secured by equitable mortgage of specific fixed assets.



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

SCHEDULE - 4

FIXED ASSETS

(Rupees)

| DESCRIPTION | GROSS BLOCK | | | | DEPRECIATION | | | | | NET BLOCK | |
|----------------------|----------------------|--------------------|----------------------|----------------------|--------------------|-------------------|---------------------|------------------|--------------------|----------------------|----------------------|
| | As at 01.04.2009 | Additions | Sales Adjustments | As at 31.03.2010 | Upto 31.03.2009 | For the year | On Revalu- ation | Adj. | Upto 31.03.2010 | As At 31.03.2010 | As at 31.03.2009 |
| Land Leasehold | 94,919,558 | 6,073,340.00 | - | 100,992,898 | 8,464,762 | 696,430 | 220,061 | - | 9,381,253 | 91,611,645 | 86,454,796 |
| Land Freehold | 9,940,842 | 1,368,000 | 286,080 | 11,022,762 | - | - | - | - | - | 11,022,762 | 9,940,842 |
| Building: | | | | | | | | | | | |
| Factory | 405,595,532 | 23,050,548 | 1,383,332.00 | 427,262,748 | 101,162,616 | 11,470,429 | 2,140,371 | 283,991 | 114,489,425 | 312,773,323 | 304,432,916 |
| Non-Factory | 68,918,717 | 7,697,036 | - | 76,615,753 | 4,207,072 | 759,639 | - | - | 4,966,711 | 71,649,042 | 64,711,645 |
| Plant and Machinery | 976,024,001 | 80,997,855 | 5,536,331 | 1,051,485,525 | 442,769,599 | 55,485,938 | 4,413,624 | 3,406,411 | 499,262,750 | 552,222,775 | 533,254,402 |
| Furniture & Fittings | 47,358,297 | 9,332,094 | 1,357,952 | 55,332,439 | 26,842,857 | 4,508,145 | - | 953,472 | 30,397,530 | 24,934,909 | 20,515,440 |
| Vehicles | 60,420,228 | 11,775,153 | 7,289,202 | 64,906,179 | 22,632,939 | 6,092,097 | - | 4,469,000 | 24,256,036 | 40,650,143 | 37,787,289 |
| Computer | 24,811,800 | 3,315,842 | 743,089 | 27,384,553 | 17,760,302 | 2,898,275 | - | 708,170 | 19,950,407 | 7,434,146 | 7,051,498 |
| TOTAL | 1,687,988,975 | 143,609,868 | 16,595,986 | 1,815,002,857 | 623,840,147 | 81,910,953 | 6,774,056 | 9,821,044 | 702,704,112 | 1,112,298,745 | 1,064,148,828 |
| PREVIOUS YEAR | 1,501,531,102 | 190,175,232 | 3,717,359 | 1,687,988,975 | 546,719,579 | 72,433,107 | 6,781,854 | 2,094,393 | 623,840,147 | 1,064,148,828 | |

(56)

SUPERHOUSE LIMITED

SUPERHOUSE LIMITED



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

| Particulars | As at 31st March, 2010 (Rupees) | As at 31st March, 2009 (Rupees) |
|--|------------------------------------|------------------------------------|
| SCHEDULE - 5 | | |
| INVESTMENTS - Long Term | | |
| IN SHARES | | |
| A. QUOTED | | |
| Other Investments | | |
| i. Super Tannery Limited 1500 (1000) Equity Shares of Rs.2/- each fully paid | 6,500 | 6,500 |
| ii. Mideast Integrated Steels Limited 20,000 Equity Shares of Rs.10/- each fully paid | 400,000 | 400,000 |
| iii. Somani Iron & Steels Limited 8,700 Equity Shares of Rs.10/- each fully paid | 261,000 | 261,000 |
| Less : Provision for Diminution in value | 667,500 | 667,500 |
| Total (A) | <u>637,885</u> | <u>637,885</u> |
| | <u>29,615</u> | <u>29,615</u> |
| B. UNQUOTED | | |
| Other Investments | | |
| i. Steven Construction Limited Cost of investment (including Rs.646000/- Of goodwill net of Capital Reserve arising on consolidation) Add : Share of post acquisition profit/loss (net) | 17,000,000 | 17,000,000 |
| | <u>746,955</u> | <u>273,841</u> |
| | 17,746,955 | 17,273,841 |
| Trade Investments | | |
| i. Unnao Tanneries Pollution Control Company 153,080 Equity Shares of Rs.10/- each fully paid | 1,530,800 | 1,530,800 |
| ii. Tritan Leather Works (P) Limited Cost of investment (including Rs.290434/- of goodwill net of Capital Reserve arising on consolidation) Add : Share of post acquisition profit/loss (net) | 7,643,000 | 7,643,000 |
| | <u>1,817,896</u> | <u>(50,866)</u> |
| | 9,460,896 | 7,592,134 |
| iii. Amin International Limited Cost of investment (including Rs.725662/-Of good will net of Capital Reserve arising on consolidation) Add : Share of post acquisition profit/loss (net) | 3,049,000 | 3,049,000 |
| | <u>1,085,833</u> | <u>25,279</u> |
| | 4,134,833 | 3,074,279 |
| iv. Industrial Infrastructure Services (I) Ltd. 185,120 Equity Shares of Rs.10/- each fully paid | 1,851,200 | 1,851,200 |
| v. Kanpur Unnao Leather Cluster Dev.Co. Ltd. 50,000(20,000) Equity Shares of Rs.10/- each | 500,000 | 200,000 |
| Total (B) | <u>35,224,684</u> | <u>31,522,254</u> |
| Total (A+B) | <u>35,254,299</u> | <u>31,551,869</u> |
| Book Value of Quoted Investments | 667,500 | 667,500 |
| Book Value of Unquoted Investments | 35,224,684 | 31,522,254 |
| Market Value of Quoted Investments | 35,990 | 29,615 |
| Movement during the year - | | |
| Purchases - | Face Value | Nos. |
| Equity shares of Kanpur Unnao Leather Cluster Dev. Co. Ltd. | 300,000 | 30,000 |



SUPERHOUSE LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

| Particulars | As at 31st March, 2010 (Rupees) | As at 31st March, 2009 (Rupees) |
|---|------------------------------------|------------------------------------|
| SCHEDULE - 6 | | |
| INVENTORIES | | |
| (As taken, Valued and certified by the Management) | | |
| a) Chemicals, Components and Spare Parts | 127,853,985 | 112,620,757 |
| b) Raw Materials (including in transit) | 191,808,733 | 153,781,023 |
| c) Stock in Process | 321,604,900 | 221,099,725 |
| d) Finished Goods (Including stock at port and/or in transit) | 260,317,017 | 240,317,779 |
| e) Import Entitlements/Licences in hand | 2,539,414 | - |
| TOTAL | 904,124,049 | 727,819,284 |
| SCHEDULE - 7 | | |
| SUNDRY DEBTORS | | |
| (Unsecured) | | |
| a) Debts outstanding for a period exceeding six months | | |
| Considered Good | 121,092,388 | 159,389,852 |
| Considered Doubtful | 2,868,876 | - |
| Less : Provision for Doubtful Debts | 2,868,876 | - |
| | 121,092,388 | 159,389,852 |
| b) Other Debts- Considered Good | 580,398,462 | 493,594,889 |
| TOTAL | 701,490,850 | 652,984,741 |
| SCHEDULE - 8 | | |
| CASH AND BANK BALANCES | | |
| a) Cash on Hand (as Certified by the Management) | 8,036,405 | 7,626,448 |
| I. Cheques in hand | - | 258,250 |
| b) Balances with Scheduled Banks on- | | |
| I. Current Accounts | 47,614,126 | 45,530,115 |
| II. Preferential Warrant/Share Issue Account | - | - |
| III. Unclaimed Dividend Account | 5,432,636 | 4,027,667 |
| IV. Margin Money Deposit Accounts (Including FDR worth Rs. 10,74,31,876 previous year Rs. 7,41,33,223 held as margin) | 115,628,134 | 79,889,587 |
| c) Foreign Currency Account (EEFC A/C) | 404,505 | 262,090 |
| TOTAL | 177,115,806 | 137,594,157 |
| SCHEDULE - 9 | | |
| OTHER CURRENT ASSETS | | |
| a) Export Incentive Receivable | 61,377,590 | 33,437,179 |
| b) Other Claim Receivable | 2,175,506 | 301,156 |
| c) Vat/Sales Tax Receivable | 15,631,008 | 5,661,211 |
| d) Interest accrued on FDR | 6,621,868 | 6,988,079 |
| TOTAL | 85,805,972 | 46,387,625 |

SUPERHOUSE LIMITED



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

| Particulars | As at 31st March, 2010 (Rupees) | As at 31st March, 2009 (Rupees) |
|--|------------------------------------|------------------------------------|
| SCHEDULE - 10 | | |
| LOANS AND ADVANCES | | |
| (Unsecured Considered Good) | | |
| a) Advances recoverable in cash or in kind or for value to be received | 74,371,412 | 61,035,764 |
| b) Security Deposits | 10,062,990 | 9,256,326 |
| TOTAL | 84,434,402 | 70,292,090 |

SCHEDULE - 11 LIABILITIES

| | | | | |
|---|-------------|--------------------|-------------|--------------------|
| a) Sundry Creditors : | | | | |
| - Due to Micro, Small & Medium Enterprises (Refer Note No. D- 11 of Schedule 19) | - | - | | |
| - Due to Others | 697,111,917 | 697,111,917 | 536,267,129 | 536,267,129 |
| b) Book Overdraft with Banks | | 23,368,716 | | 15,272,220 |
| c) Advances from customers | | 12,370,635 | | 15,930,039 |
| d) Other Liabilities | | 161,969,233 | | 120,458,533 |
| e) Unclaimed Dividend | | 5,432,636 | | 4,027,667 |
| f) Interest Accrued but not due on secured loan | | 39,957 | | 6,132 |
| TOTAL | | 900,293,094 | | 691,961,720 |

There is no amount due and outstanding to be credited to Investors Education & Protection Fund.

SCHEDULE - 12 PROVISIONS

| | | | | |
|--|-------------|-------------------|-------------|-------------------|
| a) Proposed Dividend | | 13,230,000 | | 12,206,798 |
| b) Provision for Income Tax | 175,262,000 | | 102,721,000 | |
| Less : Advance Income Tax | 161,157,206 | 14,104,794 | 95,356,844 | 7,364,156 |
| c) Provision for Dividend Distribution Tax | | 2,197,338 | | 2,074,546 |
| d) Provision for Leave Encashment | | 4,400,822 | | 3,264,920 |
| e) Provision for Gratuity | | 9,492,834 | | 3,380,587 |
| TOTAL | | 43,425,788 | | 28,291,007 |

SCHEDULE - 13 MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

| | | | | |
|----------------------|---|----------|--|---------------|
| Preliminary Expenses | - | | | 21,159 |
| TOTAL | | - | | 21,159 |



SUPERHOUSE LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

| Particulars | 2009-10 (Rupees) | 2008-09 (Rupees) |
|--|----------------------|----------------------|
| SCHEDULE - 14 | | |
| SALES | | |
| Sales (Export) | 2,805,177,026 | 2,728,211,849 |
| Sales (Indigenous) | 601,213,259 | 569,317,264 |
| Export Incentive | 248,086,042 | 204,341,098 |
| TOTAL | 3,654,476,327 | 3,501,870,211 |
| SCHEDULE - 15 | | |
| OTHER INCOME | | |
| a) Interest on Fixed Deposit with Banks (Including Income Tax deducted at source Rs. 8,17,434 Previous year Rs. 8,86,299) | 6,573,688 | 5,072,018 |
| b) Interest on Loans & Advances (Including Income Tax deducted at source Rs.3,38,343 Previous year Rs. 3,00,119) | 721,562 | 654,123 |
| c) Profit on Sale of Fixed Assets | 5,726,906 | 416,937 |
| d) Miscellaneous Income | 11,987,418 | 7,086,277 |
| e) Income from job work | 558,109 | 3,283,800 |
| f) Rent | 1,725,900 | 1,400,400 |
| g) Exchange difference | 15,883,784 | 12,833,173 |
| h) Income (Dividend) from long Term Investments-Other - (Including Income Tax deducted at source Rs Nil Previous year Rs. Nil) | - | 2,430 |
| TOTAL | 43,177,367 | 30,749,158 |

SUPERHOUSE LIMITED



SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

| Particulars | 2009-10 (Rupees) | 2008-09 (Rupees) |
|--|----------------------|----------------------|
| SCHEDULE - 16 | | |
| VARIATION IN STOCKS OF FINISHED GOODS AND WORK IN PROCESS | | |
| a) Stock at commencement- | | |
| Finished Goods | 240,317,779 | 225,757,434 |
| Stock in Process | 221,099,725 | 273,984,336 |
| TOTAL 'A' | <u>461,417,504</u> | <u>499,741,770</u> |
| b) Stock at Close- | | |
| Finished Goods | 260,317,017 | 240,317,779 |
| Stock in Process | 321,604,900 | 221,099,725 |
| TOTAL 'B' | <u>581,921,917</u> | <u>461,417,504</u> |
| Increase / (Decrease) in Stocks (B-A) | <u>120,504,413</u> | <u>(38,324,266)</u> |
| SCHEDULE - 17 | | |
| MATERIALS | | |
| Stock at commencement | 153,781,023 | 168,130,022 |
| Add : | | |
| Purchases | 1,438,273,444 | 1,371,699,822 |
| | <u>1,592,054,467</u> | <u>1,539,829,844</u> |
| Less : | | |
| Stock at Close | 191,808,733 | 153,781,023 |
| Raw Material Consumed | 1,400,245,734 | 1,386,048,821 |
| Purchase of finished goods for resale | 82,167,144 | 51,772,543 |
| Consumption of Chemicals and Components | 675,909,923 | 604,218,219 |
| Consumption of Packing Materials | 104,552,754 | 85,903,998 |
| TOTAL | <u>2,262,875,555</u> | <u>2,127,943,581</u> |



SUPERHOUSE LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

| Particulars | 2009-10 (Rupees) | 2008-09 (Rupees) |
|---|----------------------|----------------------|
| SCHEDULE - 18 | | |
| MANUFACTURING, ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES | | |
| Consumable stores | 51,444,826 | 45,679,920 |
| Manufacturing Expenses | 321,882,081 | 244,453,843 |
| Power and Fuel | 85,209,872 | 80,465,047 |
| Effluent Treatment Expenses | 3,649,197 | 3,492,065 |
| Repairs and Maintenance | | |
| - Building | 6,382,430 | 6,893,082 |
| - Machinery | 24,392,244 | 21,989,625 |
| - Others | 14,919,843 | 11,155,573 |
| Rent | 11,810,922 | 10,166,784 |
| Rates and Taxes | 7,306,129 | 19,976,894 |
| Payment to and provision for Employees | | |
| - Salary, Wages and Bonus | 175,542,664 | 158,354,821 |
| - Employer's Contribution to provident and other funds | 23,738,028 | 18,997,762 |
| - Workmen and Staff Welfare Expenses | 14,382,155 | 7,345,957 |
| Insurance | 6,655,732 | 8,087,027 |
| Travelling and Conveyance | 24,578,359 | 23,247,982 |
| Vehicle Running and Maintenance | 13,461,451 | 11,750,256 |
| Bad Debts | 10,440,313 | 5,609,392 |
| Printing and Stationery | 6,034,528 | 4,356,077 |
| Communication cost | 13,657,489 | 13,000,863 |
| Bank charges | 24,231,973 | 23,370,903 |
| Interest on | | |
| - Term Loan | 28,310,193 | 37,587,510 |
| - Other | 32,549,843 | 48,075,971 |
| Legal and Professional Charges | 7,773,296 | 8,796,972 |
| Auditor's Remuneration | 2,231,214 | 2,586,717 |
| Cost Audit fee | 28,090 | 28,090 |
| Miscellaneous Expenses | 12,050,495 | 7,633,172 |
| Advertisement and Publicity | 5,471,246 | 968,414 |
| Sales and Distribution Expenses | 139,602,194 | 148,280,419 |
| Commission on Sale | 140,296,002 | 134,060,703 |
| (Including Rs. Nil (Previous year Rs. Nil) paid to Sole Selling agents) | | |
| Research and Development Expenses | 7,413,417 | 9,870,476 |
| Charity and Donation | 6,004,697 | 4,951,740 |
| Exchange Difference | 11,309,809 | 10,511,142 |
| Loss on Sale of Fixed Assets | 2,832,219 | 696,389 |
| Miscellaneous Expenditure written off | 21,159 | 21,159 |
| TOTAL | 1,235,614,110 | 1,132,462,747 |

SUPERHOUSE LIMITED



SCHEDULE - 19

NOTES ON CONSOLIDATED ACCOUNTS

A) Basis of Consolidation

1. The financial statements of the subsidiary companies considered in the consolidation are drawn upto the same reporting date as of the company i.e. year ended March 31, 2010.
2. The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India (ICAI).

B) Principles of Consolidation :

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

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

C) Other Significant Accounting Policies :

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

D) Notes :

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

| Name of the Subsidiary | Country of Incorporation | Proportion of Ownership Interest |
|-------------------------------------|--------------------------|----------------------------------|
| Superhouse (U.K.) Ltd. | United Kingdom | 100% |
| Superhouse (USA) International Inc. | USA | 100% |
| Superhouse Middle East FZC | Azman (UAE) | 100% |
| Superhouse RO SRL | Romania | 100% |



SUPERHOUSE LIMITED

(Amount in Rupees)

| | 2009-10 | 2008-09 |
|---|--------------|--------------|
| 2. i. Estimated value of contracts remaining to be executed on capital account (net of advances) | 19,15,187 | 33,93,631 |
| ii. Claims against the company not acknowledged as debt | 54,96,764 | 53,81,588 |
| 3. Contingent Liabilities in respect of: | | |
| i. Guarantees issued by the Bank | 1,09,29,896 | 121,15,900 |
| ii. Corporate Guarantee(s) to bank(s) against credit facilities extended to wholly owned subsidiary in U.K and UAE | 7,70,05,840 | 8,53,34,040 |
| iii. Letter of Credit opened and outstanding | 17,05,02,134 | 8,07,10,961 |
| iv. Duty on Export obligation pending | 11,69,53,857 | 10,41,29,113 |
| v. Electricity demand pending litigation | 15,83,688 | 33,89,233 |
| vi. Forward Exchange Contracts | 6,61,82,000 | 17,58,06,681 |
| vii. Uncalled Liability on Shares partly paid | 40,00,000 | 40,00,000 |
| viii. The detail of disputed dues (net of amounts paid) as per the clause ix(b) of Section 227 (4A) of the Companies Act, 1956 is as follows: | | |

| Nature of Dues | Forum where dispute is pending | Period to which relates | | |
|-----------------------------|--|-------------------------|-----------|-----------|
| Income Tax | CIT Appeals, Kanpur | A.Y. 2001-02 | 21,86,375 | 21,86,375 |
| | CIT Appeals, Kanpur | A.Y. 2002-03 | 2,10,378 | 2,10,378 |
| | CIT Appeals, Kanpur | A.Y. 2003-04 | 9,81,537 | 9,81,537 |
| | CIT Appeals, Kanpur | A.Y. 2004-05 | Nil | 57,69,822 |
| | CIT Appeals, Kanpur | A.Y. 2005-06 | Nil | 39,85,430 |
| Entry Tax | Sales Tax Appellate Tribunal | 1999-2000 | 8,60,729 | 8,60,729 |
| U P Trade Tax and Entry Tax | Joint Commissioner of Trade Tax, Kanpur | 2005-2006 | Nil | 5,98,876 |
| U P Trade Tax and Central | Deputy Commissioner of Trade Tax, Kanpur | 1996-1997 | 1,19,738 | 1,19,738 |
| | | 1997-1998 | 3,89,872 | 3,89,872 |
| Sales Tax | | 2002-2003 | 26,503 | Nil |
| Central Sales Tax | Joint Commissioner of Trade Tax, Kanpur | 2001-2002 | 1,51,473 | 1,51,473 |

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

4. In the case of associate - Unnao Tanneries Pollution Control Co., registered under Section 25 of the Companies Act, 1956, the investments have been stated at cost of acquisition as the associate operates under severe long term restrictions to transfer funds to the investor.
5. Confirmation of balances with sundry debtors/creditors, loans and advances and other parties have not been received in few cases.
6. Management is of the view that the current assets, loans and advances, if realised in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. Provision for all known liabilities is adequate and not in excess of the amount considered necessary.

SUPERHOUSE LIMITED



7. Sundry Debtors include Rs. 56,79,140 (Rs. 89,09,369), which are old and/or the matter is under dispute / litigation. Efforts are being made for recovery; hence no provision for bad and doubtful debts has been considered necessary.
8. Building and Plant and Machinery include Gross Block Rs. 1,79,88,995 (Rs. 1,89,94,054) and Rs. 10,07,184 (Rs. 10,07,184) respectively and Net block Rs. 1,57,17,921 (Rs. 1,67,79,546) and Rs. 7,56,904 (Rs. 7,90,544) respectively in respect of expenditure incurred on capital assets, ownership whereof does not vest with the company.
9. Superhouse (UK) Ltd. is following the Written Down Value method of depreciation as against the Straight Line Method is being followed by the parent company and other subsidiaries. The relevant figures are as under:

(Rupees in Lacs)

| Description of Item | As per CFS of the group | | As per the Balance Sheet of Superhouse (UK) Ltd. included in CFS | |
|--------------------------------------|-------------------------|--------------|--|--------------|
| | As at 31.03.2010 | | As at 31.03.2010 | |
| | Gross Block | Depreciation | Gross Block | Depreciation |
| Fixed Assets (including Revaluation) | 18,150.03 | 819.11 | 324.93 | 9.84 |

10. During the year, the group has capitalized borrowing costs amounting to Rs. 15,11,120 (Rs. 49,18,382) in accordance with AS 16 'Borrowing Costs' issued by ICAI.
11. The company has requested confirmation from Suppliers regarding their registration (filing of Memorandum) under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). According to the information available with the company there was no amount (principal and/or interest) due to any micro/small enterprises (SME as defined in the Act) as at the end of the year. There is no delay in payment to SME during the year. No interest was paid/payable on account of delay in payment to SME during the year in terms of the Section 16 of the Act.
12. The components of Deferred Tax Assets and Liabilities are as under:

(Amount in Rupees)

| Particulars | As on 31-03-2010 | As on 31-03-2009 |
|---|---------------------|---------------------|
| Deferred Tax Liabilities | | |
| On account of | | |
| - Depreciation | 10,43,18,000 | 9,80,59,000 |
| Sub Total 'A' | 10,43,18,000 | 9,80,59,000 |
| Deferred Tax Assets | | |
| On account of | | |
| - Provision for Doubtful Debts | 9,53,000 | Nil |
| - Others | 51,13,000 | 22,59,000 |
| Sub Total 'B' | 60,66,000 | 22,59,000 |
| Net Deferred Tax Liability (A-B) | @ 9,82,52,000 | 9,58,00,000 |
| Deferred Tax Liability for the current year | 24,52,000 | 1,37,80,000 |

@ In accordance with clause 29 of AS 22, Deferred Tax Assets and Deferred Tax Liability have been set off.



SUPERHOUSE LIMITED

13. The related party disclosure in accordance with AS-18 issued by ICAI, is as under:

A. Relationship

i. Joint Ventures & Associates:

Joint Venture: Nil

Associates:

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

ii. Key Management Personnel & Relatives:

- a) Mr. Mukhtarul Amin - Chairman & Managing Director
- b) Mr. Vinay Sanan - Executive Director
- c) Mrs. Shahina Mukhtar - Director (Wife of Mr. Mukhtarul Amin)
- d) Mr. Zafarul Amin – Jt. Managing Director (Son of Mr. Mukhtarul Amin)
- e) Mr. Mohd. Shadab – Director
- f) Mr. A.K. Agarwal – Director (Finance)
- g) Mr. Akbar Waris – Director of a subsidiary company
- h) Mr. Hamesh Chauhan – Vice President of a subsidiary company
- i) Mr. Deepak Sanan (Son of Shri Vinay Sanan)

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

(Amount in Rupees)

| Particulars | 2009-10 | 2008-09 |
|---|-------------|-------------|
| Purchases of Materials/Finished Goods | 3,52,22,879 | 1,94,65,301 |
| Sale of Materials/Finished Goods | 6,71,96,153 | 8,23,23,994 |
| Purchase of Fixed Assets | 1,51,298 | 3,04,969 |
| Services rendered/other receipts | 1,95,751 | 4,61,210 |
| Services availed | 38,62,003 | 27,70,389 |
| Rent received | 2,19,540 | 2,00,400 |
| Interest Paid | – | 1,58,182 |
| Preferential Issue of Warrants / Shares | | |
| - Amount Received | 89,07,262 | 41,95,773 |

SUPERHOUSE LIMITED



(Amount in Rupees)

| Particulars | 2009-10 | 2008-09 |
|--|-------------|-------------|
| Balances at the end of the year: | | |
| Receivables (including Advances) | 2,94,28,254 | 2,77,92,597 |
| Payables | 1,43,45,644 | 70,97,750 |
| Investments | 2,76,92,000 | 2,92,22,800 |
| Key Management Personnel and relatives: | | |
| Rent paid | 14,89,500 | 10,20,250 |
| Remuneration / Commission | 2,34,70,638 | 1,96,70,943 |
| Preferential Issue of Warrants / Shares | | |
| - Amount Received | 27,21,600 | 33,26,400 |
| Remuneration Payable (including Provisions) | 75,70,542 | 38,01,371 |

14. Fixed Assets given on Operating Lease :

(Amount in Rupees)

| | Building Factory | | Plant & Machinery | |
|--------------------------------|------------------|-----------|-------------------|------------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| i. Gross Carrying Amount | 51,01,357 | 51,01,357 | 281,24,302 | 281,24,302 |
| ii. Accumulated Depreciation | 16,32,939 | 14,62,554 | 178,16,586 | 157,12,353 |
| iii. Depreciation for the year | 1,70,385 | 1,70,385 | 21,04,233 | 21,04,233 |
| iv. Impairment Losses | Nil | Nil | Nil | Nil |

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

16. Primary Segment Information as per Accounting Standard 17 'Segment Reporting' issued by ICAI :

a) BUSINESS SEGMENTS

(Rupees)

| Particulars | Leather & Leather Products | | Textile Garments | | Others | | Total | |
|------------------------------|----------------------------|---------------|------------------|-------------|-------------|------------|---------------|---------------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| Segment Revenue | 3,158,235,408 | 3,020,979,038 | 479,416,036 | 440,235,321 | 8,996,814 | 23,296,059 | 3,646,648,258 | 3,484,510,418 |
| Intra Segment Revenue | - | - | - | - | - | - | - | - |
| Total Revenue | 3,158,235,408 | 3,020,979,038 | 479,416,036 | 440,235,321 | 8,996,814 | 23,296,059 | 3,646,648,258 | 3,484,510,418 |
| Eliminations | - | - | - | - | - | - | - | - |
| Net Revenue | 3,158,235,408 | 3,020,979,038 | 479,416,036 | 440,235,321 | 8,996,814 | 23,296,059 | 3,646,648,258 | 3,484,510,418 |
| Profit Before Tax & Interest | 266,366,352 | 176,951,761 | 27,246,446 | 50,056,933 | (2,823,342) | 2,106,929 | 290,789,456 | 229,115,623 |
| Interest Expenses | (53,805,543) | (78,940,956) | (6,931,123) | (6,543,855) | (123,370) | (178,670) | (60,860,036) | (85,663,481) |
| Profit Before Tax | 212,560,809 | 98,010,805 | 20,315,323 | 43,513,078 | (2,946,712) | 1,928,259 | 229,929,420 | 143,452,142 |
| Segment Assets | 2,887,454,597 | 2,496,465,927 | 320,289,435 | 245,305,917 | 20,360,945 | 17,129,035 | 3,228,104,977 | 2,758,900,879 |
| Segment Liabilities | 1,816,769,072 | 1,583,399,346 | 192,639,069 | 112,528,335 | 17,077,173 | 12,363,558 | 2,026,485,314 | 1,708,291,239 |
| Capital Expenditure | 219,258,170 | 135,784,856 | 21,903,322 | 17,431,962 | 1,658,691 | 43,587 | 242,820,183 | 153,260,405 |
| Depreciation | 74,374,352 | 66,566,154 | 7,074,373 | 5,471,587 | 462,228 | 395,365 | 81,910,953 | 72,433,106 |



b) GEOGRAPHICAL SEGMENTS

| Particulars | Within India | | Outside India | | Total | |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| External | 610,987,286 | 507,682,536 | 3,035,660,972 | 2,976,827,882 | 3,646,648,258 | 3,484,510,418 |
| Inter Segments | - | - | - | - | - | - |
| Total Revenue | 610,987,286 | 507,682,536 | 3,035,660,972 | 2,976,827,882 | 3,646,648,258 | 3,484,510,418 |
| Eliminations | - | - | - | - | - | - |
| Net Revenue | 610,987,286 | 507,682,536 | 3,035,660,972 | 2,976,827,882 | 3,646,648,258 | 3,484,510,418 |
| Carrying amount of Segment Assets | 3,156,792,462 | 2,707,865,801 | 71,312,515 | 51,035,078 | 3,228,104,977 | 2,758,900,879 |
| Segment Liabilities | 1,994,432,059 | 1,679,160,304 | 32,053,255 | 29,130,935 | 2,026,485,314 | 1,708,291,239 |
| Capital Expenditure | 237,939,073 | 152,096,899 | 4,881,110 | 1,163,506 | 242,820,183 | 153,260,405 |
| Depreciation on Fixed Assets | 80,563,344 | 71,883,305 | 1,347,609 | 549,801 | 81,910,953 | 72,433,106 |

17. Certain Warrants (convertible into equal number of equity shares) were allotted during the previous year on preferential basis as per the provisions of the Securities & Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. The detail is as under:

| Year of Issue | No. of Warrants issued | Rate/Warrant (Rs.) | Year of conversion | No. of Warrants converted |
|---------------|------------------------|--------------------|--------------------|---------------------------|
| 2008 - 09 | 19,64,249 | 27.00 | 2008 - 09 | 5,75,749 |
| | | 27.00 | 2009 - 10 | 8,52,668 |

18. Calculation of Earning Per Share (EPS) as per AS 20 'Earning Per Share' issued by ICAI :

| Particulars | 2009-10 | 2008-09 |
|--|--------------|-------------|
| Number of Equity shares for the purpose of calculation of EPS (Weighted average no. of shares) | 1,03,14,833 | 96,21,821 |
| Nominal value of Equity Share (Rs.) | 10 | 10 |
| Profit after Tax (Rupees) | 14,92,50,413 | 8,62,90,248 |
| EPS - Basic and Diluted (Rs.) | 14.47 | 8.97 |

19. Previous Year figures have been regrouped wherever necessary.

Signatures to Schedules 1 to 19

As per our report of even date attached

For and on behalf of the Board

For **KAPOOR TANDON & CO.**

Chartered Accountants

RAJESH PARASRAMKA

Partner

Place : Kanpur

Date : June 5, 2010

VINAY SANAN
Executive Director

MUKHTARUL AMIN
Chairman & Managing Director

R. K. AGRAWAL
Company Secretary

A. K. AGARWAL
Director (Finance)

SUPERHOUSE LIMITED



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

| Particulars | 2009-10 (Rupees) | 2008-09 (Rupees) |
|--|---------------------|---------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| NET PROFIT BEFORE TAX | 229,929,420 | 143,452,142 |
| ADJUSTMENTS FOR : | | |
| Depreciation | 81,910,953 | 72,433,107 |
| Miscellaneous expenditure written off | 21,159 | 21,159 |
| Interest - Paid | 60,860,036 | 85,663,481 |
| Interest - Earned | (7,295,250) | (5,726,141) |
| Income from Long term Investments received | - | (2,430) |
| Fixed Assets - Loss on sale | 2,832,219 | 696,389 |
| Fixed Assets - Profit on sale | (5,726,906) | (416,937) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 362,531,631 | 296,120,770 |
| ADJUSTMENTS FOR : | | |
| Trade and Other Receivables | (101,541,606) | (16,731,274) |
| Inventories | (176,304,765) | 76,701,791 |
| Trade Payables | 214,374,554 | 11,494,931 |
| CASH GENERATED FROM OPERATIONS | 299,059,814 | 367,586,218 |
| Income Tax Paid (net of Refunds) | (72,117,040) | (40,437,798) |
| NET CASH FROM OPERATING ACTIVITIES | 226,942,774 | 327,148,420 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets (including CWIP) | (242,820,183) | (153,260,406) |
| Sale of Fixed Assets | 9,669,629 | 3,226,196 |
| Purchase of Investments | (300,000) | (2,282,682) |
| Income from Long term Investments received | - | 2,430 |
| Interest received | 7,295,250 | 5,726,141 |
| Loans given | (525,162) | (937,642) |
| NET CASH USED IN INVESTING ACTIVITIES | (226,680,466) | (147,525,963) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Preferential Warrants Money (including premium) | 20,719,832 | 19,294,173 |
| Proceeds from Long term Borrowings | 173,141,802 | 256,546,906 |
| Repayments from Long term Borrowings | (133,688,162) | (292,085,956) |
| Net Increase/(Decrease) in Working Capital Loans | 52,822,280 | (14,028,348) |
| Interest paid | (60,860,036) | (85,663,481) |
| Dividend paid | (10,801,829) | (8,422,796) |
| Dividend Distribution Tax paid | (2,074,546) | (1,630,940) |
| NET CASH FLOW USED IN FINANCING ACTIVITIES | 39,259,341 | (125,990,442) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 39,521,649 | 53,632,015 |
| OPENING CASH AND CASH EQUIVALENTS | 137,594,157 | 83,962,142 |
| CLOSING CASH AND CASH EQUIVALENTS | 177,115,806 | 137,594,157 |

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.

As per our report of even date

For and on behalf of the Board

For **KAPOOR TANDON & CO.**

Chartered Accountants

RAJESH PARASRAMKA

Partner

Place : Kanpur

Date : June 5, 2010

VINAY SANAN

Executive Director

R. K. AGRAWAL

Company Secretary

MUKHTARUL AMIN

Chairman & Managing Director

A. K. AGARWAL

Director (Finance)

SUPERHOUSE LIMITED

Kapoor Tandon & Co.
Chartered Accountants

24/57, First Floor, Birhana Road
(Opp. Central Chest Clinic), Kanpur 208 001
Ph. : 2361244 • Fax : (0512) 2361244
Email : nkapoornarendra@rediffmail.com

AUDITORS' REPORT

To the Board of Directors
Superhouse Limited

1. We have examined the attached Consolidated Balance Sheet of the subsidiaries of Superhouse Limited as at 31st March 2010 and also the Consolidated Profit and Loss Account of the subsidiaries for the year ended on that date, annexed thereto. These consolidated financial statements of subsidiaries (CFS) have been prepared on the basis of the separate audited / certified financial statements of the subsidiaries and are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In respect of the financial statements of certain subsidiaries, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of other auditors. The details of assets and revenues in respect of these subsidiaries are given below:

| | Rupees in Lacs | |
|-------------------------------|---------------------|-----------------------|
| Names of the Companies | Total Assets | Total Revenues |
| i. Superhouse (U.K.) Limited | 970.36 | 1702.24 |
| ii. Superhouse RO, SRL | 4.43 | 0.92 |

4. We report that the consolidated financial statements have not been prepared in accordance with the requirements of the AS 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India (refer Note No. B-5 of Schedule 18, Notes on Accounts).
5. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on the individual audited financial statements of the subsidiaries, we are of the opinion, that the CFS subject to para 4 above and read together with other notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the subsidiaries of Superhouse as at 31st March, 2010; and
 - (b) in the case of Consolidated Profit and Loss Account, of the consolidated results of operations of the subsidiaries of Superhouse for the year ended on that date.

For **KAPOOR TANDON & CO.,**
Chartered Accountants
(Registration No. 000952C)
RAJESH PARASRAMKA
Partner
M.No. 074192

Place : Kanpur
Date : June 5, 2010

SUPERHOUSE LIMITED



CONSOLIDATED BALANCE SHEET (SUBSIDIARIES) AS AT 31ST MARCH, 2010

| Particulars | Schedule No. | As at 31st March, 2010 (Rupees) | | As at 31st March, 2009 (Rupees) | |
|--|--------------|------------------------------------|-------------------|------------------------------------|-------------------|
| I. SOURCES OF FUNDS | | | | | |
| 1. Shareholders' Funds : | | | | | |
| a) Capital | 1 | 16,429,936 | | 16,429,936 | |
| b) Share Application Money | | 3,703,536 | | 1,637,600 | |
| c) Reserves and Surplus | 2 | <u>34,204,366</u> | 54,337,838 | <u>21,442,246</u> | 39,509,782 |
| 2. Loan Funds : | | | | | |
| a) Secured Loans | 3 | 4,738,259 | | 5,227,068 | |
| b) Unsecured Loans | 4 | <u>1,061,400</u> | 5,799,659 | <u>1,142,246</u> | 6,369,314 |
| TOTAL | | | <u>60,137,497</u> | | <u>45,879,096</u> |
| II. APPLICATIONS OF FUNDS | | | | | |
| 1. Fixed Assets : | | | | | |
| a) Gross Block | 5 | | 35,611,996 | | 32,812,577 |
| b) Less : Depreciation | | | <u>4,655,708</u> | | <u>4,452,622</u> |
| c) Net Block | | | <u>30,956,288</u> | | <u>28,359,955</u> |
| 2. Current Assets, Loans and Advances : | | | | | |
| a) Inventories | 6 | 21,442,313 | | 27,961,750 | |
| b) Sundry Debtors | 7 | 102,748,040 | | 118,780,236 | |
| c) Cash and Bank Balances | 8 | 3,205,852 | | 4,853,570 | |
| d) Other Current Assets | 9 | 2,302,480 | | 353,954 | |
| e) Loans and Advances | 10 | <u>6,577,832</u> | | <u>6,984,963</u> | |
| TOTAL 'A' | | <u>136,276,517</u> | | <u>158,934,473</u> | |
| Less : | | | | | |
| Current Liabilities and Provisions : | | | | | |
| Liabilities | 11 | <u>107,095,308</u> | | <u>141,436,491</u> | |
| TOTAL 'B' | | <u>107,095,308</u> | | <u>141,436,491</u> | |
| NET CURRENT ASSETS (A-B) | | | 29,181,209 | | 17,497,982 |
| 3. Miscellaneous Expenditure | | | | | |
| (To the extent not written off or adjusted) | 12 | | - | | 21,159 |
| TOTAL | | | <u>60,137,497</u> | | <u>45,879,096</u> |
| Notes on Accounts | 18 | | | | |

The schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For and on behalf of the Board

For **KAPOOR TANDON & CO.**

Chartered Accountants

RAJESH PARASRAMKA

Partner

Place : Kanpur

Date : June 5, 2010

VINAY SANAN

Executive Director

R. K. AGRAWAL

Company Secretary

MUKHTARUL AMIN

Chairman & Managing Director

A. K. AGARWAL

Director (Finance)



SUPERHOUSE LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT (SUBSIDIARIES) FOR THE YEAR ENDED 31ST MARCH, 2010

| Particulars | Schedule No. | 2009-10 (Rupees) | 2008-09 (Rupees) |
|---|--------------|--------------------|--------------------|
| INCOME : | | | |
| a) Sales | 13 | 238,599,102 | 250,816,779 |
| b) Other Income | 14 | 13,477,575 | 9,622,995 |
| c) Variation in stocks in trade | 15 | (6,519,437) | 250,248 |
| TOTAL 'A' | | <u>245,557,240</u> | <u>260,690,022</u> |
| EXPENDITURE : | | | |
| a) Materials | 16 | 180,981,511 | 215,822,329 |
| b) Administrative, Selling and Distribution Expenses | 17 | 46,338,994 | 33,368,151 |
| c) Depreciation on Fixed Assets | | 1,347,608 | 549,802 |
| TOTAL 'B' | | <u>228,668,113</u> | <u>249,740,282</u> |
| PROFIT BEFORE TAX (A-B) | | 16,889,127 | 10,949,740 |
| Provision for Tax | | | |
| - Current Tax | | 4,127,007 | 381,894 |
| PROFIT AFTER TAX | | 12,762,120 | 10,567,846 |
| Profit brought forward | | 5,536,388 | (2,928,998) |
| PROFIT AVAILABLE FOR APPROPRIATIONS | | 18,298,508 | 7,638,848 |
| Proposed Dividends | | - | 2,102,460 |
| Balance carried to Balance Sheet | | 18,298,508 | 5,536,388 |
| Notes on Accounts | 18 | | |
| The Schedules referred to above form an integral part of the Profit and Loss Account. | | | |

As per our report of even date attached

For and on behalf of the Board

For **KAPOOR TANDON & CO.**

Chartered Accountants

RAJESH PARASRAMKA

Partner

Place : Kanpur

Date : June 5, 2010

VINAY SANAN

Executive Director

R. K. AGRAWAL

Company Secretary

MUKHTARUL AMIN

Chairman & Managing Director

A. K. AGARWAL

Director (Finance)

SUPERHOUSE LIMITED



SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET (SUBSIDIARIES)

| Particulars | As at 31st March, 2010 (Rupees) | As at 31st March, 2009 (Rupees) |
|---|------------------------------------|------------------------------------|
| SCHEDULE - 1 | | |
| CAPITAL | | |
| a) Called-up equity shares capital 150000 fully paid ordinary shares of sterling pound 1 each | 10,618,924 | 10,618,924 |
| b) 155 Shares authorised and issued No par value aggregating to USD 73070 | 3,388,324 | 3,388,324 |
| c) 100 shares of AED 2000 each fully paid | 2,419,366 | 2,419,366 |
| d) 20 Shares @ RON 10 each fully paid | 3,322 | 3,322 |
| TOTAL | <u>16,429,936</u> | <u>16,429,936</u> |
| SCHEDULE - 2 | | |
| RESERVES AND SURPLUS | | |
| Revaluation Reserve | | |
| At commencement of the year | 15,905,858 | 15,905,858 |
| Profit and Loss Account | | |
| As per account annexed | 18,298,508 | 5,536,388 |
| TOTAL | <u>34,204,366</u> | <u>21,442,246</u> |
| SCHEDULE - 3 | | |
| SECURED LOANS | | |
| From Banks | | |
| a) Working Capital Loans (Secured against documentary bills) | 3,982,967 | 4,616,667 |
| b) Term Loans (Secured against vehicle financed, leasehold land and buildings) | 755,292 | 610,401 |
| TOTAL | <u>4,738,259</u> | <u>5,227,068</u> |
| SCHEDULE - 4 | | |
| UNSECURED LOANS | | |
| Others | | |
| From a Company | 1,061,400 | 1,142,246 |
| TOTAL | <u>1,061,400</u> | <u>1,142,246</u> |



SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET (SUBSIDIARIES)

SCHEDULE- 5

FIXED ASSETS

(Rupees)

| DESCRIPTION | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|------------------------|---------------------|------------------|----------------------|---------------------|--------------------|------------------|------------------|--------------------|---------------------|---------------------|
| | As at 01.04.2009 | Additions | Sales Adjustments | As at 31.03.2010 | Upto 31.03.2009 | For the year | Adj. | Upto 31.03.2010 | As At 31.03.2010 | As at 31.03.2009 |
| Building - Non-Factory | 24,662,391 | 122,778 | - | 24,785,169 | - | - | - | - | 24,785,169 | 24,662,391 |
| Plant and Machinery | 2,117,790 | - | - | 2,117,790 | 1,042,224 | 163,292 | - | 1,205,516 | 912,274 | 1,075,566 |
| Furniture & Fittings | 1,283,691 | 905,700 | - | 2,189,391 | 440,414 | 247,692 | - | 688,106 | 1,501,285 | 843,277 |
| Vehicles | 4,485,800 | 3,792,359 | 2,081,690 | 6,196,469 | 2,843,166 | 885,221 | 1,144,522 | 2,583,865 | 3,612,604 | 1,642,634 |
| Computer | 262,905 | 60,272 | - | 323,177 | 126,818 | 51,403 | - | 178,221 | 144,956 | 136,087 |
| TOTAL | 32,812,577 | 4,881,109 | 2,081,690 | 35,611,996 | 4,452,622 | 1,347,608 | 1,144,522 | 4,655,708 | 30,956,288 | 28,359,955 |
| PREVIOUS YEAR | 31,987,166 | 1,163,506 | 338,095 | 32,812,577 | 4,039,326 | 549,802 | 136,506 | 4,452,622 | 28,359,955 | |

(74)

SUPERHOUSE LIMITED



SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET (SUBSIDIARIES)

| Particulars | As at 31st March, 2010 (Rupees) | As at 31st March, 2009 (Rupees) |
|--|------------------------------------|------------------------------------|
| SCHEDULE - 6 | | |
| INVENTORIES | | |
| (As taken Valued and certified by the Management) | | |
| Stock in Trade | 21,442,313 | 27,961,750 |
| TOTAL | <u>21,442,313</u> | <u>27,961,750</u> |
| SCHEDULE - 7 | | |
| SUNDRY DEBTORS | | |
| (Unsecured) | | |
| Sundry Debtors | 102,748,040 | 118,780,236 |
| TOTAL | <u>102,748,040</u> | <u>118,780,236</u> |
| SCHEDULE - 8 | | |
| CASH AND BANK BALANCES | | |
| a) Cash on Hand (as Certified by the Management) | 579,765 | 1,396,919 |
| b) Balances with Scheduled Banks on- | | |
| I. Current Accounts | 917,778 | 445,287 |
| II. Margin Money Deposit Accounts | 1,708,309 | 3,011,364 |
| TOTAL | <u>3,205,852</u> | <u>4,853,570</u> |
| SCHEDULE - 9 | | |
| OTHER CURRENT ASSETS | | |
| a) Other Claim Receivable | 2,175,506 | 301,156 |
| b) Vat/Sales Tax Receivable | 126,974 | 50,388 |
| c) Interest accrued on FDR | - | 2,410 |
| TOTAL | <u>2,302,480</u> | <u>353,954</u> |
| SCHEDULE- 10 | | |
| LOANS AND ADVANCES | | |
| (Unsecured Considered Good) | | |
| a) Advances recoverable in cash or in kind or for value to be received | 6,257,585 | 6,671,238 |
| b) Corporation Tax Repayable | - | 28,415 |
| c) Security Deposit | 320,247 | 285,310 |
| TOTAL | <u>6,577,832</u> | <u>6,984,963</u> |
| SCHEDULE - 11 | | |
| LIABILITIES | | |
| a) Sundry Creditors : | 81,037,859 | 122,617,872 |
| b) Book Overdraft with Banks | 14,288,137 | 15,082,166 |
| c) Advances from customers | 315,044 | 211,690 |
| d) Other Liabilities | 11,454,268 | 3,524,763 |
| TOTAL | <u>107,095,308</u> | <u>141,436,491</u> |
| SCHEDULE - 12 | | |
| MISCELLANEOUS EXPENDITURE | | |
| (To the extent not written off or adjusted) | | |
| Preliminary Expenses | - | 21,159 |
| TOTAL | <u>-</u> | <u>21,159</u> |



SUPERHOUSE LIMITED

SCHEDULE FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT (SUBSIDIARIES)

| Particulars | 2009-10 (Rupees) | 2008-09 (Rupees) |
|---------------------------------------|---------------------|---------------------|
| SCHEDULE - 13 | | |
| SALES | | |
| Sales | 238,599,102 | 250,816,779 |
| TOTAL | <u>238,599,102</u> | <u>250,816,779</u> |
| SCHEDULE - 14 | | |
| OTHER INCOME | | |
| a) Miscellaneous Income | 11,642,492 | 7,255,133 |
| b) Exchange difference | 1,789,827 | 2,335,583 |
| c) Interest on Loans & Advances | 45,256 | 32,279 |
| TOTAL | <u>13,477,575</u> | <u>9,622,995</u> |
| SCHEDULE - 15 | | |
| VARIATION IN STOCK IN TRADE | | |
| a) Stock at commencement- | | |
| Stock in Trade | 27,961,750 | 27,711,502 |
| TOTAL 'A' | <u>27,961,750</u> | <u>27,711,502</u> |
| b) Stock at Close- | | |
| Stock in Trade | 21,442,313 | 27,961,750 |
| TOTAL 'B' | <u>21,442,313</u> | <u>27,961,750</u> |
| Increase / (Decrease) in Stocks (B-A) | <u>(6,519,437)</u> | <u>250,248</u> |
| SCHEDULE - 16 | | |
| MATERIALS | | |
| Purchases | 180,981,511 | 215,822,329 |
| TOTAL | <u>180,981,511</u> | <u>215,822,329</u> |

SUPERHOUSE LIMITED



SCHEDULE FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT (SUBSIDIARIES)

| Particulars | 2009-10 (Rupees) | 2008-2009 (Rupees) |
|--|---------------------|-----------------------|
| SCHEDULE - 17 | | |
| ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES | | |
| Power and Fuel | 495,123 | 472,568 |
| Repair and Maintenance - Others | 584,489 | 716,569 |
| Rent | 2,242,382 | 1,418,560 |
| Rates and Taxes | 693,724 | 871,967 |
| Payment to and provision for Employees | | |
| - Salary, Wages and Bonus | 11,966,593 | 8,837,455 |
| - Employer's Contribution to provident and other funds | 959,306 | 573,422 |
| - Workmen and Staff Welfare Expenses | 166,113 | 314,034 |
| Insurance | 525,989 | 365,378 |
| Travelling and Conveyance | 1,966,850 | 1,806,188 |
| Vehicle Running and Maintenance | 1,428,831 | 1,185,039 |
| Bad Debts | - | 257,865 |
| Printing and Stationery | 156,794 | 80,173 |
| Communication cost | 1,412,230 | 1,321,772 |
| Bank charges | 1,831,362 | 1,899,084 |
| Interest on | | |
| - Term Loan | 323,140 | 499,025 |
| - Other | 496,802 | 1,099,187 |
| Legal and Professional Charges | 517,350 | 465,672 |
| Auditor's Remuneration | 1,169,031 | 1,597,569 |
| Miscellaneous Expenses | 200,039 | 226,129 |
| Sales and Distribution Expenses | 6,163,323 | 4,204,599 |
| Commission on Sale | 9,746,183 | 4,344,919 |
| Charity and Donation | - | 7,845 |
| Loss on Sale of Fixed Assets | 364,204 | 154,295 |
| Exchange Difference | 2,907,977 | 627,678 |
| Miscellaneous Expenditure written off | 21,159 | 21,159 |
| TOTAL | 46,338,994 | 33,368,151 |

**SCHEDULE - 18****NOTES ON CONSOLIDATED ACCOUNTS (SUBSIDIARIES)****A) BASIS OF CONSOLIDATION**

The financial statements of the subsidiary companies considered in the consolidation are drawn upto the same reporting date i.e. year ended March 31, 2010.

These Consolidated Financial Statements of Subsidiaries (CFS) are prepared in compliance of Approval under Section 212 (8) of the Companies Act, 1956 vide 47/169/2010-CL-III dated 31st March, 2010 of Ministry of Corporate Affairs, The Government of India granted to Superhouse Limited.

B) Principles of Consolidation :

These CFS have been compiled on the following basis :

- 1) The financial statements of 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.
- 2) **Foreign Currency Translations**
 - i) Revenue items except opening & closing inventory, at average exchange rate.
 - ii) Fixed Assets and Accumulated Depreciation : at exchange rate prevalent at the time of acquisition of the assets.
 - iii) Current Assets and Current Liabilities : at the closing exchange rate prevalent on the date of Balance Sheet.
 - iv) Capital : At exchange rate prevalent on the time of remittance.
 - v) The exchange difference arising on consolidation of items in the financial statements of subsidiaries is recognized in the Profit and Loss account.
- 3) As far as possible, these CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- 4) The financial statements of subsidiaries, being foreign companies (WOS), are not prepared in accordance with the provisions of The Companies Act, 1956 and the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India. These CFS have been compiled accordingly and the figures of the subsidiaries have been grouped/arranged, wherever required, for the said compilation.
- 5) AS 21 can not be made applicable on these CFS as it requires consolidation of financial statements of the group (i.e. holding company, its subsidiaries and associates). The compliance of AS 21 has separately been made while preparing the Consolidated Financial Statements of the group.

C) Significant Accounting Policies and Notes :

These are setout in the financial statements of respective subsidiaries.

D) NOTES :

1. The subsidiaries considered in the preparation of these CFS are:

| Name of the Subsidiary | Country of Incorporation | Proportion of Ownership Interest |
|-------------------------------------|---------------------------------|---|
| Superhouse (U.K.) Ltd. | United Kingdom | 100% |
| Superhouse (USA) International Inc. | USA | 100% |
| Superhouse Middle East FZC | Azman (UAE) | 100% |
| Superhouse RO SRL | Romania | 100% |

SUPERHOUSE LIMITED



2. Confirmation of balances with sundry debtors/creditors, loans and advances and other parties have not been received in few cases.
3. Management is of the view that the current assets, loans and advances, if realized in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. Provision for all known liabilities is adequate and not in excess of the amount considered necessary.
4. Previous Year figures have been regrouped wherever necessary.

Signatures to Schedules 1 to 18

As per our report of even date attached

For and on behalf of the Board

For **KAPOOR TANDON & CO.**

Chartered Accountants

RAJESH PARASRAMKA

Partner

Place : Kanpur

Date : June 5, 2010

VINAY SANAN

Executive Director

R. K. AGRAWAL

Company Secretary

MUKHTARUL AMIN

Chairman & Managing Director

A. K. AGARWAL

Director (Finance)



ELECTRONIC CLEARING SERVICE

ECS Mandate Form for Payment of dividend on equity shares

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

I, hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the company responsible. I further undertake to inform the company any change in my bank/branch and account number.

Place :

Date :

Signature of the First Shareholder

**PROXY FORM
Superhouse Limited**

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

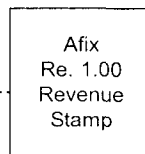
I.....son of.....in the district of.....being a member of the above named company, hereby appoint.....in the district of.....or failing him.....in the district of.....as my proxy to vote for me on my behalf at the Annual General Meeting of the company to be held on Thursday the 30th September, 2010 at 10.00 A.M. or at any adjournment thereof.

Folios/Demat A/c No.

No. of shares.

Total :

Signature.....



Place:

Date:

Name :

OUR STAR BRANDS

Allen[®]
Cooper



BOOK POST



LEGACY OF EXCELLENCE

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E-mail: share@superhouse.in, Website: www.superhouse.in