

# **SUPER TANNERY LIMITED**



**TWENTY NINTH ANNUAL REPORT  
2012-13**

## CONTENTS

Company Information	1
Notice	2
Directors' Report	15
Report on Corporate Governance	20
Management Discussion & Analysis	29
Report on Corp. Social Responsibility	32
Auditors' Report	34
Balance Sheet	40
Profit & Loss Account	41
Cash Flow Statement	42
Consolidated Financial Statements	63
Statement under Section 212	85
Attendance Slip and Proxy Form	87

## SUPER TANNERY LIMITED

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Iftikharul Amin - *Managing Director*  
Mr. Iqbal Ahsan - *Jt. Managing Director*  
Mr. Veqarul Amin - *Jt. Managing Director*  
Mr. Imran Siddiqui - *Whole-time Director*  
Mr. Arshad Khan - *Whole-time Director*  
Mr. Mohd. Imran - *Whole-time Director*

#### Non-Executive Directors

Mr. Nafees Ahmad  
Mr. Mohsin Sharif  
Mr. Kumud Behari Seth  
Dr. Subhash Awasthi  
Dr. Mohd. Izhar  
Mr. P. K. Sinha

#### Chief Financial Officer

Mohd. Imran

#### Company Secretary

R.K. Awasthi

#### Auditors

M/s Kapoor Tandon & Co.  
Chartered Accountants  
Kanpur

#### Plant Locations

a. Chrome Tannery :  
b. Goat Tannery :  
c. Sole Tannery :  
d. Footwear Division :  
e. Fashion Shoe Division :  
f. Safety Shoe Division :

#### Registered Office:

187/170, Jajmau Road, Kanpur 208010  
Ph: 0512-3935747, 3935748, 3935749  
Fax: 0512-2460792, 2462227  
Email: [supertannery@satyam.net.in](mailto:supertannery@satyam.net.in)  
Website: [www.supertannery.com](http://www.supertannery.com)

### BOARD COMMITTEES

#### Audit Committee

Mr. Kumud Bihari Seth - *Chairman*  
(Non-Executive Independent Director)  
Mr. Mohsin Sharif - *Member*  
(Non-Executive Independent Director)  
Mr. Nafees Ahmad - *Member*  
(Non-Executive Independent Director)

#### Remuneration Committee

Mr. Mohsin Sharif - *Chairman*  
(Non-Executive Independent Director)  
Mr. Kumud Bihari Seth - *Member*  
(Non-Executive Independent Director)  
Mr. Nafees Ahmad - *Member*  
(Non-Executive Independent Director)

#### Shareholder's / Investors' Grievance Committee

Mr. Nafees Ahmad - *Chairman*  
(Non-Executive Independent Director)  
Mr. Iftikharul Amin  
Mr. Iqbal Ahsan

#### Bankers

State Bank of India  
Overseas Branch  
Kanpur

187/170, Jajmau Road, Kanpur – 208010  
Leather Technology Park, Banthar, Unnao, U.P.  
(i) Mona Nagar, Jajmau, Kanpur – 208010  
(ii) 187/170, Jajmau Road, Kanpur – 208010  
169, Jajmau, Kanpur – 208010  
6, Akrapur, Unnao – 209801  
Leather Technology Park, Banthar, Unnao, U.P

#### Registrar and Share transfer Agent:

Karvy Computershares Pvt. Ltd.  
(Karvy Consultants Ltd.)  
46, Avenue - 4, Street No.1, Banjara Hills,  
Hyderabad – 500034  
Ph: 40-23312454, 23376715  
Fax: 40-23311968, 23323041  
Email: [ussingh@karvy.com](mailto:ussingh@karvy.com);  
[mailmanager@karvy.com](mailto:mailmanager@karvy.com)

29th Annual General Meeting to be held on Monday, the 30th September, 2013 at  
the Registered Office of the Company at 8:00 a.m.

NOTICE is hereby given that the 29th Annual General Meeting of the members of Super Tannery Limited will be held on Monday the 30th September, 2013 at 8:00 a.m. at 187/170, Jajmau Road, Kanpur-208 010, the registered office of the Company to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2013, the Balance Sheet as on that date and the reports of Directors' and Auditors' thereon.
2. To declare dividend.
3. To appoint a Director in place of Dr. Subhash Awasthi, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. Mohd. Izhar, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. P.K. Sinha, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS:**

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956, read with Schedule XIII to the said Act and all other applicable provisions, if any, of the said Act, as may be required and pursuant to the recommendation of remuneration committee and Board of Directors vide their resolution passed at their meeting including any modification or re-enactment thereof, consent of the Company be and is hereby accorded for the re-appointment of Mr. Iftikharul Amin as Managing Director of the Company for a period of three years w.e.f. 30.09.2013 to 29.09.2016 on the terms and conditions as under :

**1. SALARY:**

Rs. 1,50,000/- per month with such annual increment as may be decided by the Board subject to maximum of salary of Rs. 2,00,000/- p.m.

**2. COMMISSION:**

1% of the net profits of the Company for each Financial Year computed in a manner laid down in Section 309 (5) of the Companies Act, 1956 or 50% of annual salary or Rs. 8,00,000/-, whichever is lower.

**3. PERQUISITES:**

The Managing Director shall be entitled to the following perquisites:

1. Unfurnished accommodation, gas, electricity, water, furnishing, leave travel

---

---

concession for self and family, medical reimbursement, club fee, medical and personal accidental insurance in accordance with the rules of the Company.

The aforesaid will be restricted to Rs. 5 lacs per annum. The perquisites shall be evaluated, for the purpose of above ceiling, as per Income Tax Rules, 1962.

2. Company's contribution to Provident Fund, Superannuation Fund or annuity fund will be restricted to the tax exemption limit and gratuity shall be payable as per the rules of the Company. These shall not be included in the computation of perquisites.
3. The Company will provide a car and telephone at his residence. The use of car for the purpose of Company's business and telephone at residence will not be considered as perquisites.

RESOLVED further that the Board of Director be and is hereby authorized to revise the remuneration of Mr. Iftikharul Amin, within the limits as specified in Schedule XIII of the Act, in such manner as the Board may consider proper.

RESOLVED further that where in any financial year closing on or after 31st March 2013, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Iftikharul Amin, Managing Director remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit as specified under Part II of Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956, read with Schedule XIII to the said Act and all other applicable provisions, if any, of the said Act, as may be required, and pursuant to the recommendation of remuneration committee and Board of Directors vide their resolution passed at their meeting including any modification or re-enactment thereof, consent of the Company be and is hereby accorded for the re-appointment of Mr. Iqbal Ahsan as Joint Managing Director of the Company for a period of three years w.e.f. 30.09.2013 to 29.09.2016 on the terms and conditions as under :

1. SALARY:

Rs. 1,50,000/- per month with such annual increment as may be decided by the Board subject to maximum of salary of Rs. 2,00,000/- per month.

2. COMMISSION:

1% of the net profits of the Company for each Financial Year computed in a manner laid down in Section 309 (5) of the Companies Act, 1956 or 50% of annual salary or Rs. 8,00,000/-, whichever is lower.

3. PERQUISITES:

The Joint Managing Director shall be entitled to the following perquisites:

1. Unfurnished accommodation, gas, electricity, water, furnishing, leave travel concession for self and family, medical reimbursement, club fee, medical and

## **SUPER TANNERY LIMITED**

---

personal accidental insurance in accordance with the rules of the Company.

The aforesaid will be restricted to Rs 5 lacs per annum. The perquisites shall be evaluated, for the purpose of above ceiling, as per Income Tax Rules, 1962.

2. Company's contribution to Provident Fund, Superannuation Fund or annuity fund will be restricted to the tax exemption limit and gratuity shall be payable as per the rules of the Company. These shall not be included in the computation of perquisites.
3. The Company will provide a car and telephone at his residence. The use of car for the purpose of Company's business and telephone at residence will not be considered as perquisites.

RESOLVED further that the Board of Director be and is hereby authorized to revise the remuneration on Mr. Iqbal Ahsan, within the limits as specified in Schedule XIII of the Act in such manner as the Board may consider proper.

RESOLVED further that where in any financial year closing on or after 31st March, 2013, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Iqbal Ahsan, Joint Managing Director remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit as specified under Part II of Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force."

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956, read with Schedule XIII to the said Act and all other applicable provisions, if any, of the said Act, as may be required, and pursuant to the recommendation of remuneration committee and Board of Directors vide their resolution passed at their meeting including any modification or re-enactment thereof, consent of the Company be and is hereby accorded for the re-appointment of Mr. Veqarul Amin as Joint Managing Director of the Company for a period of three years w.e.f. 30.09.2013 to 29.09.2016 on the terms and conditions as under :

1. SALARY:

Rs.1,50,000/- per month with such annual increment as may be decided by the Board subject to maximum of salary of Rs. 2,00,000/- per month.

2. COMMISSION:

1% of the net profits of the Company for each Financial Year computed in a manner laid down in Section 309 (5) of the Companies Act, 1956 or 50% of annual salary or Rs. 8,00,000/-, whichever is lower.

3. PERQUISITES:

The Joint Managing Director shall be entitled to the following perquisites:

1. Unfurnished accommodation, gas, electricity, water, furnishing, leave travel concession for self and family, medical reimbursement, club fee, medical and personal accidental insurance in accordance with the rules of the Company.

---

---

The aforesaid will be restricted to Rs. 5 lacs per annum. The perquisites shall be evaluated, for the purpose of above ceiling, as per Income Tax Rules, 1962.

2. Company's contribution to Provident Fund, Superannuation Fund or annuity fund will be restricted to the tax exemption limit and gratuity shall be payable as per the rules of the Company. These shall not be included in the computation of perquisites.
3. The Company will provide a car and telephone at his residence. The use of car for the purpose of Company's business and telephone at residence will not be considered as perquisites.

RESOLVED further that the Board of Director be and is hereby authorized to revise the remuneration on Mr. Veqarul Amin, within the limits as specified in Schedule XIII of the Act in such manner as the Board may consider proper.

RESOLVED further that where in any financial year closing on or after 31st March, 2013, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Veqarul Amin, Joint Managing Director remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit as specified under Part II of Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force."

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956, read with Schedule XIII to the said Act and all other applicable provisions, if any, of the said Act, as may be required and pursuant to the recommendation of remuneration committee and Board of Directors vide their resolution passed at their meeting including any modification or re-enactment thereof, consent of the Company be and is hereby accorded:

To the revision in the salary of Mr Arshad Khan as a Whole time Director of the Company from Rs. 18,000/- per month to Rs. 25,000/- per month for the period from 1st April, 2013 and up to the expiry of the term of his appointment.

To the re-appointment of Mr. Arshad Khan as a Whole time Director of the Company for a period of three years w.e.f. 30.09.2013 to 29.09.2016 on the terms and conditions mentioned in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to revise the remuneration of Mr. Arshad Khan, within the limits as specified in Schedule XIII of the Act, in such manner as the Board may consider proper.

RESOLVED FURTHER THAT where in any financial year closing on or after 31st March, 2013, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Arshad Khan, Whole time director, remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit as specified under Part II of Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force."

## **SUPER TANNERY LIMITED**

---

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956, read with Schedule XIII to the said Act and all other applicable provisions, if any, of the said Act, as may be required, and pursuant to the recommendation of remuneration committee and Board of Directors vide their resolution passed at their meeting including any modification or re-enactment thereof, consent of the Company be and is hereby accorded:

To the revision in the salary of Mr. Mohd. Imran, from Rs. 20,000/- per month to Rs. 30,000/- per Month for the period from 1st April, 2013 and up to the expiry of the term of his appointment

To the re-appointment of Mr. Mohd. Imran as a Whole time Director of the Company for a period of three years w.e.f. 30.09.2013 to 29.09.2016 on the terms and conditions mentioned in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to revise the remuneration of Mr. Mohd. Imran, within the limits as specified in Schedule XIII of the Act in such manner as the Board may consider proper.

RESOLVED FURTHER THAT where in any financial year closing on or after 31st March, 2013, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Mohd. Imran, Whole time director, remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit as specified under Part II of Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force."

12. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956, read with Schedule XIII to the said Act and all other applicable provisions, if any, of the said Act, as may be required, and pursuant to the recommendation of remuneration committee and Board of Directors vide their resolution passed at their meeting including any modification or re-enactment thereof, consent of the Company be and is hereby accorded:

To the revision in the salary of Mr. Imran Siddiqui, from Rs. 25,000/- per month to Rs. 45,000/- per month for the period from 1st April, 2013 and up to the expiry of the term of his appointment

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to revise the remuneration of Mr. Imran, Siddiqui within the limits as specified in Schedule XIII of the Act, in such manner as the Board may consider proper.

RESOLVED FURTHER THAT where in any financial year closing on or after 31st March, 2013, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Imran Siddiqui, Whole time director, remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit as specified under Part II of Schedule XIII to the



---

---

Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force."

13. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 293(1)(e) of the Companies Act, 1956, consent of the members be and is hereby accorded to the Board of Directors of the Company to donate to charitable and other funds not directly related to the business of the Company or the welfare of its employees up to the extent of Rs. 30.00 lacs (Rupees thirty lacs only) during the financial year ending 31st March, 2014."

By Order of the Board of Directors  
for Super Tannery Limited  
**R.K. Awasthi**  
Company Secretary

Place : Kanpur  
Date : 14.08.2013

## **SUPER TANNERY LIMITED**

---

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Businesses is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 20th September to 30th September, 2013 (both days inclusive).
5. Members holding shares in identical order of names in more than one folio are requested to write to the Company, enclosing the Shares Certificate for consolidation of their holding into one folio.
6. Members holding Shares in physical form are requested to notify the followings to the Registrar and Share Transfer Agent to facilitate better services.
  1. Any change in their address under their signature clearly quoting, their folio numbers, old address along with the changed address with Pin code.
  2. Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of the names for consolidation of such shareholding into one account.
  3. Members holding shares in electronic form may inform any change in address to their Depository Participant.
7. Members holding Shares in electronic form are requested to provide their Client-ID and DP-ID numbers at the meeting for easy identification.
8. Members desirous of obtaining any information/clarification concerning the Accounts and Operation of the Company are requested to address their queries in writing to the Company Secretary at least seven days before the Annual General Meeting, so that the desired information may be made available at the Annual General Meeting, if the Chairman permits to do so.
9. The Shares of the Company are compulsorily tradable in demat form. The equity Shares of the Company have been assigned ISIN INE460D01038. Members are requested to get their Shares dematerialized at the earliest to make them tradable.
10. Pursuant to the provisions of Section 205-A of the Companies Act, 1956 and introduction of Section 205-C by the companies (Amendment) Act, 1999, the amount of dividend/

---

---

debenture/fixed deposit remaining unclaimed for a period of seven years is required to be transferred to Investor Education and Protection Fund set up by the Central Government.

11. Accordingly all unclaimed/unpaid dividend up to the financial year 2004-2005 have been transferred to the "Investor Education and Protection Fund".
12. Dividend unpaid or unclaimed for the Financial Year 2005-06 may be claimed by the shareholders on or before 17th September, 2013. Thereafter, such amount shall be transferred to the "Investor Education and Protection Fund". Kindly note that once the unclaimed or unpaid Dividend is transferred to "Investor Education and Protection Fund" no claim shall lie with the company in respect thereof.
13. Pursuant to Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of share held by them in physical form. Shareholders desirous of making nomination are requested to send their request in Form No.2B to the Registrar and Transfer Agents, M/s. Karvy Computershare Pvt. Ltd., Hyderabad. Members holding shares in electronic mode are requested to consult/contact with their respective Depository Participant (DP) for availing nomination facility.
14. Members are requested to notify immediately change in their address, PIN code, if any to company at its registered office by quoting their folio number.
15. Members' proxies are requested to bring attendance slip duly completed for attending the meeting.
16. Brief Resume of all Directors including those proposed to be appointed, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and Memberships / Chairmanships and Relationships between Directors inter-se as stipulated under Clause 49 of the listing agreement with the Stock Exchanges in India, are provided in the report on Corporate Governance forming part of the Annual Report.

By Order of the Board of Directors  
for Super Tannery Limited  
**R.K. Awasthi**  
Company Secretary

Place : Kanpur  
Date : 14.08.2013

**EXPLANATORY STATEMENT**

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

**ITEM No.07, 08, & 09:**

Mr. Iftikharul Amin was re-appointed as Managing Director in terms of resolution passed by the Board of Directors at its meeting and approved by the shareholders of the company at the Annual General Meeting on 30th September, 2010 for a period of 3 years. The present term of office of Mr. Iftikharul Amin, as a Managing Director of the company will be expiring on 29.09.2013., subject to Shareholders approval, the Board of Directors, at their meeting held on 14.08.2013 have approved reappointment of Mr. Iftikharul Amin, as Managing Director for a further period of 3 years from 30.09.2013.

Mr. Iqbal Ahsan, and Mr. Veqarul Amin were reappointed as Joint Managing Director in terms of resolution passed by the Board of Directors at its meeting and approved by the shareholders of the company at the Annual General Meeting on 30th September, 2010 for a period of 3 years. The present term of office of Mr. Iqbal Ahsan, and Mr. Veqarul Amin, as Joint Managing Director of the company will be expiring on 29.09.2013. , subject to Shareholders approval, the Board of Directors, at their meeting held on 14.08.2013 have approved reappointment of the Joint Managing Directors of the company for a further period of 3 years from 30.09.2013.

The main terms and conditions of re-appointment of Mr. Iftikharul Amin, Managing Director, Mr. Iqbal Ahsan and Mr. Veqarul Amin both the Joint Managing Directors of the Company are given in the notice.

The Board of Directors recommends the Special resolutions set out in item no. 7,8&9 of the Notice for approval of the shareholders.

This may also be treated as an abstract in terms of re-appointment of Mr. Iftikharul Amin, Mr. Iqbal Ahsan, Mr. Veqarul Amin under the provisions of section 302 of the Companies Act, 1956.

Mr. Iftikharul Amin, Mr. Iqbal Ahsan, Mr. Veqarul Amin, the Directors seeking re-appointment and being relatives are interested in the resolutions.

Brief particulars of the Managing Directors and Joint Managing Director are being given in the report on Corporate Governance attached to Directors Report.

10. The Board of Directors at their meeting had approved revision in the salary of Mr. Arshad Khan, Whole Time Director of the Company, from Rs 18,000/per month to Rs. 25,000/- per month for a period from 1st April, 2013, and up to the expiry of the term of his appointment.

The present term of office of Mr. Arshad Khan, as a whole Time Director of the Company will be expiring on 29.09.2013 hence the Board of Directors at its meeting held on 14.08.2013., subject to the approval of the Shareholders of the company, re-appointed the said Whole time director for a further period of 3 years w.e.f. 30.09.2013. The main terms and conditions of re-appointment of Mr. Arshad Khan, whole time Director of the Company are as under.

---

---

**SALARY :**

Rs. 25,000/- per month with such annual increment as may be decided by the Board subject to maximum salary of Rs. 25,000/- per month.

**PERQUISITES :**

The Whole time director shall be entitled to the following perquisites:

1. He shall be entitled to earned leave/Privilege leave on full pay and allowance as per rules of the company, but not more than forty five days leaves for each completed year of services. Bonus as per the rules of the company will also be available to him.
2. Company's contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent, these either singly or put together, are not taxable under the Income Tax Act, 1961, Gratuity payable shall not exceed half a month's salary for each completed year of service.
3. The Company will provide a car and telephone at his residence. However, provisions of car for the purpose of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company.

Perquisites will be restricted to an amount equal to annual salary or maximum Rs. 1,50,000/- per annum which ever is less. The perquisites shall be evaluated, for the purpose of above ceiling, as per Income Tax Rules, 1962.

The terms and conditions of appointment of aforesaid Whole time Directors may be varied, altered or modified by the Board from time to time within the limit laid down in Schedule XIII read with other applicable provisions of the Companies Act. 1956 or any amendments made hereinafter in this regard.

Where in any financial year during the currency of the tenure of the Whole time Directors the Company has no profits or its profits are inadequate, the Company will pay remuneration to Whole time Directors by way of salary and perquisites as specified above as minimum remuneration, subject to compliance of the provisions of the Companies Act, 1956 read with Schedule XIII thereto including any statutory modification or re-enactment thereof for the time being in force.

The Board of Directors recommends the resolutions set out in Item no.10 of the Notice, for approval of the Shareholders.

This may also be treated as an abstract in terms of re-appointment of Mr. Arshad Khan under the provisions of Section 302 of the Companies Act, 1956.

Except Mr. Arshad Khan, none of Directors of the Company is in any way either directly or indirectly concerned or interested in the resolution except as a shareholder in general.

Brief particulars of Mr. Arshad Khan are being given in the Report on Corporate Governance attached with Director's Report.

## **SUPER TANNERY LIMITED**

---

11. The Board of Directors at their meeting had approved revision in the salary of Mr. Mohd. Imran, Whole Time Director of the Company, from Rs. 20,000/- per month to Rs. 30,000/- per month for a period from 1st April, 2013, and up to the expiry of the term of his appointment.

The present term of office of Mr. Mohd. Imran, as a whole Time Director of the Company will be expiring on 29.09.2013 hence the Board of Directors at its meeting held on 14.08.2013., subject to the approval of the Shareholders of the company, re-appointed the said Whole time director for a further period of 3 years w.e.f. 30.09.2013. The main terms and conditions of re-appointment of Mr. Mohd. Imran, whole time Director of the Company are as under.

### **SALARY :**

Rs. 30,000/- per month with such annual increment as may be decided by the Board subject to maximum salary of Rs. 30,000/- per month.

### **PERQUISITES :**

The Whole time director shall be entitled to the following perquisites:

1. He shall be entitled to earned leave/Privilege leave on full pay and allowance as per rules of the company, but not more than forty five days leaves for each completed year of services. Bonus as per the rules of the company will also be available to him.
2. Company's contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent, these either singly or put together, are not taxable under the Income Tax Act, 1961, Gratuity payable shall not exceed half a month's salary for each completed year of service.
3. The Company will provide a car and telephone at his residence. However, provisions of car for the purpose of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company.

Perquisites will be restricted to an amount equal to annual salary or maximum Rs. 1,50,000/- per annum whichever is less. The perquisites shall be evaluated, for the purpose of above ceiling, as per Income Tax Rules, 1962.

The terms and conditions of appointment of aforesaid Whole time Directors may be varied, altered or modified by the Board from time to time within the limit laid down in Schedule XIII read with other applicable provisions of the Companies Act, 1956 or any amendments made hereinafter in this regard.

Where in any financial year during the currency of the tenure of the Whole Time Director the Company has no profits or its profits are inadequate, the Company will pay remuneration to Whole time Director by way of salary and perquisites as specified above as minimum remuneration, subject to compliance of the provisions of the Companies Act, 1956 read with Schedule XIII thereto including any statutory modification or re-enactment thereof for the time being in force.

---

---

The Board of Directors recommends the resolutions set out in Item no.11 of the Notice, for approval of the Shareholders.

This may also be treated as an abstract in terms of re-appointment of Mr. Mohd. Imran under the provisions of Section 302 of the Companies Act, 1956.

Except Mr. Mohd. Imran, none of Directors of the Company is in any way either directly or indirectly concerned or interested in the resolution except as a shareholder in general.

Brief particulars of Mr. Mohd. Imran are being given in the Report on Corporate Governance attached with Director's Report.

12. The Board of Directors at their meeting had approved revision in the salary of Mr. Imran Siddiqui, Whole Time Director of the Company, from Rs. 25,000/per month to Rs. 45,000/- per month for a period from 1st April, 2013, and up to the expiry of the term of his appointment

The present term of office of Mr. Imran Siddiqui, as a whole Time Director of the Company will be expiring on 27.09.2015 hence the Board of Directors at its meeting and subject to the approval of the Shareholders of the company, revised the salary of said Whole time director. The main terms and conditions of the revised salary of Mr. Imran Siddiqui, whole time Director of the Company are as under.

**SALARY :**

Rs. 45,000/- per month with such annual increment as may be decided by the Board subject to maximum salary of Rs. 45,000/- per month.

**PERQUISITES :**

The Whole time director shall be entitled to the following perquisites:

1. He shall be entitled to earned leave/Privilege leave on full pay and allowance as per rules of the company, but not more than forty five days leaves for each completed year of services. Bonus as per the rules of the company will also be available to him.
2. Company's contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent, these either singly or put together, are not taxable under the Income Tax Act, 1961, Gratuity payable shall not exceed half a month's salary for each completed year of service.
3. The Company will provide a car and telephone at his residence. However, provisions of car for the purpose of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company.

Perquisites will be restricted to an amount equal to annual salary or maximum Rs.1,50,000/- per annum which ever is less. The perquisites shall be evaluated, for the purpose of above ceiling, as per Income Tax Rules, 1962.

## **SUPER TANNERY LIMITED**

---

The terms and conditions of appointed of aforesaid Whole time Directors may be varied, altered or modified by the Board from time to time within the limit laid down in Schedule XIII read with other applicable provisions of the Companies Act, 1956 or any amendments made hereinafter in this regard.

Where in any financial year during the currency of the tenure of the Whole time Directors the Company has no profits or its profits are inadequate, the Company will pay remuneration to Whole time Directors by way of salary and perquisites as specified above as minimum remuneration, subject to compliance of the provisions of the Companies Act, 1956 read with Schedule XIII thereto including any statutory modification or re-enactment thereof for the time being in force.

The Board of Directors recommends the resolutions set out in Item no.12 of the Notice, for approval of the Shareholders.

This may also be treated as an abstract of terms of revision of salary of Mr. Imran Siddiqui, under the provisions of Section 302 of the Companies Act, 1956.

Except Mr. Imran Siddiqui, none of Directors of the Company is in any way either directly or indirectly concerned or interested in the resolution except as a shareholder in general.

Brief particulars of Mr. Imran Siddiqui are being given in the Report on Corporate Governance attached with Director's Report.

13. It has been the policy of the company to contribute in those charitable funds, which serve the society at large or for the welfare of its employees, whether such charitable institution are directly related or not with the business of the Company, the action of the Board is taken keeping in mind the responsibility that the Company owes to society. Sometimes contribution so made exceed the limit prescribed by the section 293(1)(e) of the Companies Act, 1956. The Board can not do such welfare work, beyond prescribed limit, without the approval of the members. The aggregate of such contribution during the year ending 31.03.2014 is likely to exceed the limit as prescribe by the Act. Therefore, your permission is requested.

The Directors recommend the resolution for approval of members.

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

By Order of the Board of Directors  
for Super Tannery Limited  
**R.K. Awasthi**  
Company Secretary

Place : Kanpur  
Date : 14.08.2013



## DIRECTORS' REPORT

Dear Shareholder,

The Directors of your Company have pleasure in presenting the **29th Annual Report** on the business and operations of the Company together with Audited Financial Statements for the year ended **31st March, 2013**:

	(Rs. in lacs)	
	Year ended 31.03.2013	Year ended 31.03.2012
<b>FINANCIAL RESULTS</b>		
<b>PROFITS:</b>		
Profit before Interest, Depreciation & extra-ordinary items	1997.48	1837.18
Less: Interest	838.73	877.48
Depreciation	393.99	354.47
Exchange Fluctuation Loss/(gains)	(93.16)	(344.17)
Bad Debts written off	31.93	16.57
	1171.49	904.35
Profit before tax	825.99	932.83
Less: Provision for current tax	220.00	242.00
Provision for deferred tax	108.70	82.55
	328.70	215.92
Profit after tax	497.29	608.28
Add: Profit brought forward from previous year	208.90	(2.78)
Income Tax relating to earlier Years	(27.58)	(33.86)
Profit available for appropriation	678.61	571.64
<b>APPROPRIATIONS:</b>		
(a) Transfer to General Reserve	400.00	300.00
(b) Proposed Dividend	53.99	53.99
(c) Provision for tax on Proposed Dividend	8.75	8.75
(d) Balance carried over to next year	215.87	208.90
	678.61	571.64

**NOTE :** Figures of the previous year have been re-grouped/re-arranged in order to make them comparable.

### DIVIDEND:

The Board of Directors of your Company take pleasure to recommend a dividend of Rs. 0.05 (5%) per Equity Shares of Re. 1/- each for the year ended 31st March, 2013 subject to the approval of shareholders at the ensuing Annual General Meeting. This will absorb a sum of Rs. 53.99 lacs towards dividend for the year besides Rs. 8.75 lacs towards tax on Dividend. The dividend (inclusive of tax), if approved, shall result in a payout of 9.25% of current year's profit available for appropriation. This makes the Management investor friendly and creates more confidence to keep the investors' interest at heart.

### OPERATIONAL REVIEW:

During the year under review, the income from operation of the company was Rs. 25,578.72 lacs as against Rs. 25,140.26 lacs during the last financial year, shows marginal growth in the operational income by Rs. 438.46 lacs which work out to 1.74%. Besides marginal growth in the operational income, the company's Gross Profit has improved (profit before interest, depreciation and extra ordinary items) by Rs. 1,997.48 Lacs as compared to Rs. 1,837.18 lacs during the last financial year. The company recorded overall growth in net profit despite recession in the market.

### SUBSIDIARY COMPANIES:

The Company has four subsidiaries namely: Super Safetywears Limited, Super Tannery (UK) Limited, Aarifi Tanners Limited and Safety Solutions s.r.o. Pursuant to the General exemption

## **SUPER TANNERY LIMITED**

---

granted under Section 212 (8) of the Companies Act, 1956, by Government of India, Ministry of Corporate Affairs, vide General Circular No.2/2011, the Profit and loss account for the year ended 31.03.2013 and Balance Sheet as on that date, in respect of the subsidiaries of the Company have not been attached to the Annual Report of the Company. However, the requisite information for each subsidiary, as stipulated vide above General Circular No.2/2011, has been disclosed. The Annual Accounts of the subsidiary companies and related detailed information will be made available to the holding and subsidiary Company investors seeking such information. The Annual Accounts of the subsidiary companies will be kept open for inspection by any investor in the head office of the Company and the subsidiary concerned.

### **INDUSTRIAL RELATIONS:**

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

### **FIXED DEPOSITS:**

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

### **CLAUSE 32 OF THE LISTING AGREEMENT:**

As per the amended Listing Agreement, it is hereby disclosed that the Equity shares of the Company is listed at Bombay Stock Exchanges. Pursuant to Board meeting held on 27th February, 2010, the company has applied for listing of its shares at National Stock Exchange. The application is in process. The company is in regular follow up with National Stock Exchange.

### **HUMAN RESOURCES MANAGEMENT:**

Employees are vital to the Company. We have created a favorable work environment that encourages humble relationship. We have also set up a scalable recruitment and human resources management process, which enables us to attract and retain high caliber employees. The Company also has started with collaboration of UP Leather Industries Association a training centre for recruiting trained labours.

### **PARTICULARS OF EMPLOYEES**

A statement of particulars of employees as specified under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975 as amended from time to time, is set out in the Annexure forming part of Directors' Report.

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

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

### **DIRECTORS:**

In terms of Article 125 of the Articles of Association of the Company, Dr. Subhash Awasthi, Dr. Mohd. Izhar, and Mr P.K. Sinha, retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. Brief resume of all the Directors, their expertise in specific functional areas and names of other companies in which Directorship held and the membership of committee of the Board as stipulated under clause 49 of the listing Agreement are given in corporate governance annexure, attached to this report.

---

---

**REPORT ON CORPORATE GOVERNANCE:**

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

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors had prepared the accounts for the financial year ended 31st March 2013 on a going concern basis.

**CONSOLIDATED FINANCIAL STATEMENTS:**

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

**AUDITORS:**

M/s. Kapoor Tandon & Company, Chartered Accountants, Kanpur will hold office upto the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Their re-appointment if made for the financial year 2013-2014, will be within the statutory limits prescribed in Section 224(1-B) of the Companies Act, 1956. The Board of Directors recommends their re-appointment.

**AUDITORS' REPORT:**

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

**ACKNOWLEDGEMENT:**

Your Directors would like to express their gratitude and appreciation for the continued support and co-operation received from State Bank of India, Central & State Government Authorities, Regulatory Bodies, Stock Exchanges and Shareholders.

Your Directors wish to place their deep sense of appreciation on the record for the devoted services of the officers, staff and workers of the Company.

Place : KANPUR  
Date : 14.08.2013

On behalf of the Board of Directors  
**IFTIKHARULAMIN**  
*Managing Director*

**IQBALAHSAN**  
*Jt. Managing Director*

**SUPER TANNERY LIMITED****ANNEXURE I TO THE DIRECTORS' REPORT**

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

**(a) Conservation of Energy:**

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

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

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

	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)
(a) Capital	NIL	NIL
(b) Recurring	23.68	20.84
(c) Total	23.68	20.84
(d) Total R & D Expenditure as % of turnover	0.09%	0.08%

**Technology Absorption, Adoption And Innovation:**

- (1) Efforts, in brief, made towards technology absorption, adoption and innovation:  
The Company is using indigenous technology and is developing in house technology and is not dependant on any outside technology / source.
- (2) Benefits derived as a result of the above efforts: Not Applicable
- (3) Incase of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year):
 

(a) Technology imported	}	
(b) Year of import	}	
(c) Has technology been fully absorbed?	}	Not Applicable
(d) If not fully absorbed, areas where not taken place, reasons therefore and future plan of action	}	

**(c) FOREIGN EXCHANGE EARNINGS & OUTGO:**

(1) Activities relating to exports, initiative taken to increase exports, development of new export markets or products and export plans:

On Export front, Company's performance is quite satisfactory and it is expected to be strong in the time to come.

(2) Total foreign exchange earned & used:

	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)
(a) Foreign exchange earned (FOB value of exports)	16,952.44	18,032.72
(b) Foreign exchange used	2,056.46	1,865.96

**(d) STATEMENT OF PARTICULARS UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 FORMING PART OF THE DIRECTORS' REPORT:**

Name	Designation	Gross Remuneration	Qualification	Experience (Years)	Date of Commencement of employment	Age (Years)	Particulars of previous employment
Mr. Iftikharul Amin	Managing Director	Rs. 26,45,540	Post Graduate	29	06.02.1984	55	Promoter
Mr. Iqbal Ashan	Jt. Managing Director	Rs. 26,45,540	Graduate	25	21.12.1988	52	Promoter
Mr. Veqarul Amin	Jt. Managing Director	Rs. 26,57,600	Leather Technologist	23	01.01.1990	50	Promoter

Notes :

1. Mr. Iftikharul Amin, Mr. Iqbal Ahsan and Mr. Veqarul Amin being brothers are related to each other within the meaning of schedule IA of Companies Act, 1956.
2. Remuneration includes salary and perquisites as per rules of the company and recorded under the Income Tax Act, 1961.

On behalf of the Board of Directors

Place : KANPUR  
Date : 14.08.2013

**IFTIKHARULAMIN**  
Managing Director

**IQBALAHSAN**  
Jt. Managing Director

---

**SUPER TANNERY LIMITED**

---

**ANNEXURE – II TO THE DIRECTORS' REPORT  
REPORT ON CORPORATE GOVERNANCE:**

In accordance with the Clause 49 of the Listing Agreement with the Stock Exchanges in India (Clause 49) and some of the best practices followed internationally on Corporate Governance, the report containing the details of governance system and processes at Super Tannery Limited is as under:

**Corporate Governance Philosophy**

At Super Tannery Limited it is our belief that as we move closer towards our aspirations of becoming a global corporation our corporate governance standards must be globally benchmarked. That gives us confidence of having put in the right building blocks for future growth and ensuring that we achieve our ambitions in a prudent and sustainable manner.

**Shareholders Communications**

The Board recognizes the importance of two-way communication with shareholders for giving a balanced report of results & progress and responds to the questions and issues raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the Annual General Meeting. Shareholders can contact the company via dedicated shareholder contact points as provided with this report or through any of Investor Service Centre of the Company's Registrars and Transfer Agents. The company ensures that queries, complaints and suggestions are responded in a timely and consistent manner.

**Role of Company Secretary in Overall Governance Process**

The Company Secretary holds a key role in ensuring that the Board Procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meeting. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. All the Directors of the company have access to the advice and services of the Company Secretary.

**Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India**

The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on important aspects like Board Meetings, General Meeting, Payment of Dividend, Maintenance of Registers and records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolution By Circulation, Affixing of Common Seal, Forfeiture of Shares and Board's Report although these standards are recommendatory in nature, the Company substantially adheres to the standards voluntarily.

**1. BOARD OF DIRECTORS:**

- (i) The company has Executive Chairman and the number of Independent Directors being 50% and Non Executive Directors (NEDs) being 50% the Board is in conformity with Clause 49 of the listing agreement with the Stock exchanges.
- (ii) None of the directors on the Board is a member of more than 10 Committees or Chairman of more than 5 committees as specified in Clause 49 across all the Companies in which he/she is a director. Necessary disclosure about position in other public companies as on 31st March, 2013 has been made by the Director.
- (iii) The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of Directorships and Committee

Chairmanship/Membership held by them in other companies is given below. Other directorships do not include alternate directorship and directorship of private limited companies, Chairmanship/Membership of Board Committees included on Audit, Remuneration and Shareholder/Investors Grievances committees.

- (iv) The present strength of the Board is twelve and comprises six executive and six non-executive directors. During the year 2012-13, the Board met 5 times (as against the minimum requirement of four meetings) on the following dates: 30th May, 2012, 14th August, 2012, 12th November, 2012, 21st December, 2012, and 12th February, 2013, The maximum time gap between any two board meetings was not more than three calendar months.

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

Name	Category	Attendance Particulars		Number of other Directorships Committee Member/Chairman		
		Board Meetings	Last AGM	Directorships	Other Committee/Membership	Committee Chairman
Iftikharul Amin	MD	5	No	5	1	
Iqbal Ahsan	JMD	3	Yes	4	1	
Veqarul Amin	JMD		NO	4		
Imran Siddiqui	ED	3	No	2		
Arshad Khan	ED	5	YES			
Mohd. Imran	ED	5	YES	2		
Mohsin Sharif	NED-I	1		2	1	1
Nafees Ahmad	NED-I	Nil			2	1
Kumud Behari Seth	NED-I	Nil		1	1	1
P.K. Sinha	NED-I	2	1			
Dr. Subhash Awasthi	NED-I	Nil		1		
Dr. Mohd. Izhar	NED-I	1				

MD - Managing Director; JMD - Joint Managing Director; ED - Executive Director; NED-I-Non-Executive Director –Independent.

None of the Director is member of more than 10 committees or Chairman of more than 5 committees across all companies in which he is Director. Brief resume of Directors seeking re-appointment, nature of their expertise in specific functional area, is given here under:

- a. **Mr. Iftikharul Amin:** Mr. Iftikharul Amin, (55 years), is a Post Graduate. He is named in Article of Association of the Company as First Director of the Company and appointed as Managing Director in 1989. Mr. Iftikharul Amin has been closely associated with the Company for over 29 years and is involved in the operation of the Company. He is having very good experience of leather and leather products. His services are required very much to steer the company smoothly. He is also director of the following companies :-
1. Super Tannery (UK) Limited
  2. Aarifi Tanners Limited
  3. Industrial Infrastructure Services (India)
  4. Amin Tannery Limited
  5. Jajmau Tanneries Environmental Protection Association

## SUPER TANNERY LIMITED

---

- b. **Mr. Iqbal Ahsan:** Mr. Iqbal Ahsan, (52 years), is a Graduate. He joined the Board of Super Tannery Limited as an Executive Director in 1988-89 and appointed as Joint Managing Director in 1993-94. Mr. Iqbal Ahsan has been closely associated with the Company for over 25 years and is involved in the operation of the Company. He is having very good experience of leather and leather products. His services are required very much to steer the company smoothly. He is also director of the following companies :-
1. Super Tannery (UK) Limited
  2. Aarifi Tanners Limited
  3. Safety Solutions s.r.o.
  4. Amin Tannery Limited
- c. **Mr. Veqarul Amin:** Mr. Veqarul Amin, (50 years), is a Qualified Leather Technologist. He joined the Board of Super Tannery Limited as a Director (Technical) in 1990 and appointed as Joint Managing Director in 2001. Mr. Veqarul Amin has been closely associated with the Company for over 23 years and involve in the operation of the Company. He is having very good experience of leather and leather products. His services are required very much to steer the company smoothly. He is also director of the following companies:-
1. Super Shoes Limited
  2. Banthar Industrial Pollution Control Company
  3. Amin Colonizers & Developers Limited
  4. Amin Tannery Limited
- d. **Mr. Imran Siddiqui:** Mr. Imran Siddiqui, age about 55 years, is a chemical Engineer. He joined the Board of directors of the company in 1992-93 as an alternate director. His efficiency and capability enabled the company to appoint him as a whole time Director in 1998-99. Mr. Siddiqui has been associated with the company for over 31 years and closely involved in the operations of the company. He is responsible for Human Resources Development, Legal, Administration, Information & Technology and Vegetable tanned Sole leather Production. He has vast experience and his services are required by the company to steer it smoothly. Mr. Imran Siddiqui, is also Director in Super Safetywears Limited. and Jajmau Tanneries Environmental Protection Association.
- e. **Mr. Arshad Khan:** Mr. Arshad Khan, Age 49 years is a Graduate and has been associated with the Company for the last 19 years and closely involve in the export marketing of finished leather of Company. He was introduced in the Board in the year 2000 an Additional Director and was regularized at the 16th Annual General Meeting of the Company as a whole time Director. He is liable to retire by rotation. He has vast experience of export of leather and leather products. He has visited many countries for this purpose and gained rich experience. His service is required for steering the export of the company. Mr. Khan is not director of any other company.
- f. **Mr. Mohd. Imran:** Mr. Mohd. Imran (46 years) is a Chartered Accountant having experience in export, import, accounts, excise, customs and foreign trade matters. He is very initiative and closely associated with the company since long time. Mr. Mohd. Imran is also director in Super Safetywears Limited and Super Tannery (UK) Limited.
- g. **Mr. Nafees Ahmed:** Mr. Nafees Ahmed is a Graduate. He was introduced in the Board of Directors of the company in March, 2002 as a non-executive Director Mr. Nafees Ahmed has



---

---

experience of 13 years in the field of Leather and administration. Mr. Nafees Ahmed is not a Director in any company except Super Tannery Limited. His services are required by the company from the time to time to steer it smoothly.

- h. **Mr. Mohsin Sharif:** age 51 years, is an independent Director of the Company, He is leather technologist and plays an important role in suggesting the company to increase its production and selling the product. He also suggests better ways to labours and technicians for handling with complexities during the production. He is liable to retire by rotation Mr Mohsin. Sharif, is also Director in Best Tanning Industries Pvt. Limited and Seven Eight Six Leather Products Pvt. Ltd.
- i. **Mr. Kumud Behari Seth:** Mr. Kumud Behari Seth is B.Sc. (Hons.) and having a Degree of MBA. He was introduced in the Board of Directors of the company in March 2002 as a non Executive Director. Mr. Kumud Behari Seth has vast experience of 37 years in the field of Marketing and Accounts. His services are required by the company from time to time to steer it smoothly. Mr. Kumud Behari Seth is not a Director of any company except Super Tannery Limited.
- j. **Dr. Subhash Awasthi:** Dr. Subhash Awasthi (47 years) is an Environment Engineer (Industrial Pollution Control) and Ph.D. Civil Engg. (ETP Design\Structure). He was introduced in the Board of Directors of the company in March 2005 as a Non-Executive Independent Director. He is engaged in the leather sector in the field of Environment Protection by way of launching complete waste water pollution control engineering solution for a cluster of leather processing industries at Unnao, U.P. His services are required by the company from time to time to steer its operation smoothly. He is also Director of Industrial Infrastructure Services (India) Limited.
- k. **Dr. Mohd. Izhar:** Dr. Mohd. Izhar (55 years) is a Doctor (B.M.S.). He was introduced in the Board of Director of the company on June 30th, 2005 as a Non-Executive Independent Director. He is a famous medical practitioner of Homeopathy. Dr. Mohd. Izhar is not a Director of any other company except Super Tannery Limited.
- l. **Mr. P. K. Sinha:** Mr. P.K. Sinha (55 years) is post graduate and was introduced in the Board of Director of the company in January 2008 as a Non- Executive Independent Director. Mr. Sinha is also director of Deep Management and Eco Consultants Pvt. Ltd.

3. **AUDIT COMMITTEE:**

The Audit Committee consists of three Members - Mr. Kumud Behari Seth (Non Executive Independent Director) acts as Chairman, Mr. Mohsin Sharif (Non Executive Independent Director) member and Mr. Nafees Ahmad (Non Executive Independent Director) member of the committee. During the year 4 meetings were held one of which was before finalization of annual accounts. The said meetings were held on 30th May, 2012, 14th August, 2012, 12th November, 2012 and 12th February, 2013. The meetings of the committee were attended by all the members of the committee. Mr. Kumud Behari Seth has financial and accounting knowledge.

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

## SUPER TANNERY LIMITED

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

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

#### 4. REMUNERATION COMMITTEE:

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

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

Details of remuneration paid to Directors are given below:

Name of Director	Salary Including perquisites	Sitting Fees	Total (Rs. in lacs)
Mr. Iftikharul Amin	26,45,540	—	26,45,540
Mr. Iqbal Ahsan	26,45,540	—	26,45,540
Mr. Veqarul Amin	26,57,600	—	26,57,600
Mr. Imran Siddiqui	4,09,028	—	4,09,028
Mr. Mohd. Imran	3,27,690	—	3,27,690
Mr. Arshad Khan	2,95,155	—	2,95,155

The Non-Executive Directors are not paid any remuneration.

#### 5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

The Company has constituted Shareholders' / Investors' Grievance Committee (the committee), comprising Mr. Nafees Ahmad, Chairman, Mr. Iftikharul Amin and Mr. Iqbal Ahsan. The Committee, inter-alia, approves issue of duplicate certificates and reviews all matters connected with the securities transfer. The Committee also looks into redressing of Shareholders' / Investors' Complaints like transfer of shares, non-receipt of balance sheet, non-receipt of

---

dividends etc. Mr R.K. Awasthi, the Company Secretary acts as a Secretary of the Committee as well as Compliance Officer. Total No. of complaints received and replied to the satisfaction of shareholders during the year was 79. No outstanding complaints were lying unresolved as on 31st March, 2013. No investors' grievances are pending for a period exceeding one month with the Company.

#### 6. GENERAL BODY MEETINGS:

During the last three years, following Annual General Meetings (AGM) & Extra Ordinary General Meeting (EGM) were held:

Year	Location	Date	Time
2009-10 (AGM)	187/170 Jajmau, Kanpur	30.09.2010	8.00 a.m
2010-11 (AGM)	Same as above	30.09.2011	8.00 a.m
2011-12(AGM)	same as above	28.09.2012	8.00 a.m

#### 7. DISCLOSURE:

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

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

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

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

#### 8. MEANS OF COMMUNICATION:

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

#### 9. INSIDER TRADING:

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

#### 10. GENERAL SHAREHOLDER INFORMATION:

**10.1 ANNUAL GENERAL MEETING** : Date and Time, 30th September, 2013 at 8:00 a.m.  
Venue – 187/170, Jajmau, KANPUR-208 010.

**10.2 FINANCIAL CALENDAR 2013-14:** (Tentative)

## SUPER TANNERY LIMITED

### BOARD MEETINGS:

Results for the quarter ending 30.06.2013: 2nd week of August, 2013

Results for the quarter ending 30.09.2013: 2nd week of November, 2013

Results for the quarter ending 31.12.2013: 2nd week of February, 2014

Results for the quarter ending 31.03.2014: Last week of May, 2014 (as per Listing Agreement.)

**10.3 BOOK CLOSURE DATE :** 20th September, 2013 to 30th September, 2013 (both days inclusive)

**10.4 Dividend:** Your Directors have recommended dividend of Rs. 0.05 (5%) per Equity Shares of Re. 1/- each for the year ended 31st March, 2013 and therefore, seek your approval for the same.

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

1. The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI-400001.

**NOTE:** Annual Listing Fees for the year 2013-14 as applicable has been paid to the BSE.

**(b) DEMAT ISIN NUMBERS IN NSDL & CDSL:** Equity Shares INE460D01038

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

### Performance of Company's Equity Share

Months	Company's Equity Share	
	High	Low
April 2012	3.08	2.31
May 2012	2.72	2.31
June 2012	2.78	2.31
July 2012	2.90	2.48
August 2012	2.74	2.05
September 2012	2.57	2.02
October 2012	2.60	1.93
November 2012	2.56	2.02
December 2012	2.61	1.70
January 2013	2.34	1.77
February 2013	2.28	1.91
March 2013	2.20	1.91

**10.7 REGISTRAR AND TRANSFER AGENT:**

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

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

Phone: 40-23312454, 23376715; Fax: 40-23311968, 23323041

Email: [ussingh@karvy.com](mailto:ussingh@karvy.com); [mailmanager@karvy.com](mailto:mailmanager@karvy.com)

**10.8 SHARE TRANSFER SYSTEM:**

In compliance of SEBI Circular No.D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, your Company has appointed common agency to shareholders for all the work relating to share registry in terms of both physical and electronic at single point by our Registrar & Transfer Agent i.e. KARVY Computershare Pvt. Ltd. (Karvy Consultants Ltd.) Hyderabad. The share transfers, which are received in physical form, are processed and

the share certificates returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respect.

#### 10.9 SHARE HOLDING PATTERNS AS ON 31.03.2013

S. No.	Description	Cases	Shares	% Equity
1	BANKS	1	3000	0.00
2	CLEARING MEMBERS	2	327966	0.30
3	DIRECTORS AND THEIR RELATIVES	10	63461434	58.77
4	H U F	70	1163961	1.08
5	BODIES CORPORATES	114	5180127	4.80
6	MUTUAL FUNDS	1	4149000	3.84
7	NON RESIDENT INDIANS	101	534918	0.50
8	RESIDENT INDIVIDUALS	6236	33152844	30.70
9	FRACTIONAL SHARES	1	110	0.00
	<b>Total:</b>	<b>6536</b>	<b>107973360</b>	<b>100.00</b>

#### 10.10 Distribution Schedule as on 31st March 2013:

Category	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	5578	85.34%	13716034	13716034	12.70%
5001-10000	599	9.16%	4066465	4066465	3.77%
10001-20000	187	2.86%	2665210	2665210	2.47%
20001-30000	62	0.95%	1663585	1663585	1.54%
30001-40000	24	0.37%	835362	835362	0.77%
40001-50000	18	0.28%	813438	813438	0.75%
50001-100000	28	0.43%	1975836	1975836	1.83%
100001 & Above	40	0.61%	82237430	82237430	76.06%
<b>TOTAL</b>	<b>6536</b>	<b>100.00%</b>	<b>107973360</b>	<b>107973360</b>	<b>100.00%</b>

#### 10.11 DEMATERIALISATION OF SHARES AND LIQUIDITY:

The company has entered into agreement with NSDL and CDSL for the dematerialization of its equity shares. The equity shares of the company are frequently traded on the BSE. Approximately 83.38% of the equity shares issued by the Company have been dematerialized up to 31st March, 2013.

#### 10.12 OUTSTANDING GDR/ADR/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY : Nil

#### 10.13 PLANT LOCATIONS:

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

---

**SUPER TANNERY LIMITED**

---

**10.14 ADDRESS FOR INVESTORS' CORRESPONDENCE:**

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

187/170, Jajmau, Kanpur-208010

Phone: 0512-3935747, 3935748, 3935749 Fax: 0152-2460792, 2462227

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

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

**11. CODE OF CONDUCT:**

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

**Declaration as required under Clause 49 of the Listing Agreement:**

All Directors and senior management of the company have affirmed compliance with company's Code of Conduct for the financial year ended 31 March 2013.

Kanpur: 14.08.2013

IFTIKHARULAMIN  
*Managing Director*

**12. NON-MANDATORY REQUIREMENTS:**

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

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

For and on behalf of the Board of Directors

Place : KANPUR  
Date : 14.08.2013

IFTIKHARULAMIN  
*Managing Director*

IQBALAHSAN  
*Jt. Managing Director*

---

---

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Industry Structure and Development:**

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

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

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

### **Opportunities:**

Company has gained reputation and established itself globally as Supplier of quality products. The company has demonstrated global competitiveness and has achieved international standards for the quality of its products and its immense capabilities provide massive opportunities in the foreign market. Company's overall strategy is to enhance shareholder value by receiving better returns through a long-term investment.

### **Threat:**

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

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

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

### **Out Look:**

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

### **Risks and Concerns:**

Although Your Company does not perceive any serious threat, still company is taking care against the risk of growing pressure of prices, foreign exchange rates variation, current and future litigation,

## **SUPER TANNERY LIMITED**

---

working capital management, bad debts etc. Foreign exchange liabilities / revenues are mainly concerned with the company's operation. Regular monitoring of movement of foreign exchange rates is carried out and decisions are taken as to when outstanding are to be covered and payments are to be made. Working Capital requirement are to be kept at minimum level in order to maintain the lowest possible interest rate.

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

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

### **Internal Control System and their Adequacy:**

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

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

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

### **Environment and safety:**

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

### **Industrial Relations and Human Resources Development:**

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

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



---

---

development of whole organization. Relationship with the employees remains cordial through out the year. The company has a team of over 530 dedicated employees working towards the company's mission.

**Discussion of Financial Performance with respect to Operational Performance:**

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

**Research & Development**

The company is committed to continue technological innovation, physical and chemical standardization and improvement to achieve high standards of product quality and customer satisfaction

Key factors that keep the company one step ahead:

- a. Extensive interaction with the latest technological developments.
- b. Presence in all major trade fairs, seminars and workshops for optimum knowledge up gradation.
- c. Well qualified and progressive workforce.
- d. Fully equipped Laboratory

The Tannery units of the company work under guidance of a well equipped laboratory conducting physical and chemical tests. It also has a pilot tannery to conduct trials of new leathers at a small scale before its implementation in bulk production. The laboratory has all the requisites to perform tests of leather as per EN, ISO and DIN standards. The company is amongst few companies which provide certification as per the REACH guidelines of European Chemicals Agency.

Design Studio: The footwear units of the company conduct their production as per the guidance of a newly built, state of the art designing cell, lead by well qualified shoe technologists and designers. Due to a rapid change in the product profile over the past few years, this studio was installed keeping in mind the ever changing tests and preferences of the customers, while keeping time frame into consideration.

Quality Assurance: A major factor which keeps the company ahead is its obsession with total quality, which includes products of the highest standards, quick and efficient customer service, leading to complete customer satisfaction. Factors like these help the company to retain customers, some of them, for as long as 30 years.

**Fair Participation**

Asia Pacific Leather fair, Hong Kong  
Lineapelle, Bologna, Italy  
Moda, Birmingham, United Kindom  
All China Leather Exhibition, Shanghai , China  
A+A Fair, Dusseldorf, Germany  
Fimec Fair, Novo Hamburgo, Brazil

**Cautionary Statement:**

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

---

---

## SUPER TANNERY LIMITED

### REPORT ON CORPORATE SOCIAL RESPONSIBILITY

#### **Social Responsibility:**

**Super Tannery Limited** (STL) believes in total commitment to society. The promoters of the company run an organization known as AMIN WELFARE TRUST (AWT) which follows the motto of "Promoting Hope in Life." This trust has taken up number of social causes in the field of EDUCATION & HEALTHCARE.

STL nurtures relationships across the entire range of stakeholders, which has the Company understand pertinent issues, develop businesses, enhance shareholder value and manage risks better. It is the relationship, trust and commitment to stake holder's interest and the warm reciprocal of the same by the stakeholders that make STL robust, resilient and sustainable. STL actively integrates shareholder goals with its own and then pursues them collaboratively.

STL's commitment towards excellence in Health, Safety and Environment Performance is one of the company's core values. The company is unwavering and its policy of, "safety of persons overrides all production targets", which drives all employees to continuously break new grounds in safety management for the benefit of the people, property, environment and the communities in which STL operates. This is the Company's responsibility as a global corporate citizen. The 'pursuit to achieve world class operational excellence' has been the key focus of the Company.

#### **Healthcare:**

AWT operates a hospital known as **Chaudhry Ehsan Kareem Hospital**, well equipped with the most modern machinery and infrastructure, in the industrial area of Jajmau, Kanpur City, providing healthcare facilities in a number of fields including Neurology, Vision, Endocrinology, Dentistry and Pre/Post Maternal Care.

STL has a program an initiative to promote healthy workplaces and reduce health and safety risks, has been instrumental in creative a culture of implementing health, safety and environment project on priority basis.

This performance has also helped the Company to improve its performance on the occupational health and safety front.

#### **Education:**

On 26th January, 2010, AWT launched a state of art educational institution namely **Super International School** with the aim to provide world class education at affordable cost to the middle income groups. The school is proposed to be affiliated with the C.B.S.E board and is equipped with the latest infrastructure required for a healthy and constructive approach to education. To know more, please visit [www.superinternationalschool.com](http://www.superinternationalschool.com)

#### **Environment**

When the leather industry enough developed, the pollution of air and water increased and the stage reached where scientists started thinking on making better use or reuse of material which caused pollution keeping in mind the economical factor else no industrialist would accept the change.

Special emphasis has been laid on use of low waste technology with minimum possible expenditure and maximum quality production because it is natural for any industrialists to resist a change unless it is likely to give better quality production with least expenditure. Pollution is given the last priority by them whereas we give it the first priority.

---

---

At STL we are very much cautious about pollution. We have our own water treatment and chrome recovery plant in which we collect the drain water full of nickel, chromium and many more harmful substances. Our deep interest is in green and clean environment. The chrome is used in the processing of hides & skins in which 65% is consumed during the process while 35% goes waste. The presence of chrome in the discharged water of tanneries is hazardous for public health as its excessive use can cause severe skin diseases. To minimize the danger we have water treatment plant to purify water to its maximum possible level. We believe to contribute in safe and healthy environment. STL is an eco friendly tannery.

#### **Health, Safety & Environment**

We at STL are committed to provide a safe and healthy working environment for our employees by adopting a proactive approach. It is part of our work ethic to ensure that safety, health and environment safeguards are in place right from the inception to the execution stage. We accept the need for constant up gradation of safety & health standards commensurate with the rapid changing technology in production.

**SUPER TANNERY LIMITED**

***Kapoor Tandon & Co.***

Chartered Accountants

24/57 First Floor, Birhana Road  
(Opp. Central Chest Clinic) KANPUR - 208001  
Ph: 2361244 Fax: (0512) 2361244  
Email: ktc\_rajesh@yahoo.co.in

## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of Super Tannery Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Super Tannery Limited** ("the Company"), which comprise the Balance Sheet as at March 31st, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

---

---

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
  - e. on the basis of written representations received from the directors as on March 31st, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

For Kapoor Tandon & Co.,  
*Chartered Accountants*  
Firm Reg. No. 000952C  
**R.P. Gupta**  
*Partner*  
Membership No. 070904

Place: Kanpur  
Date : 29.05.2013

## **SUPER TANNERY LIMITED**

### **ANNEXURE TO THE AUDITORS REPORT**

(This is the Annexure referred to in para 1 of our report of even date on the Financial Statements for the year ended 31st March, 2013 of Super Tannery Limited)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state 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, so as to cover all the fixed assets over a period of two years. In our opinion, the frequency of physical verification of fixed assets is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies between book records and the physical inventory were noticed in respect of the assets verified during the year.
- (c) The fixed assets disposed of during the year, in our opinion, do not constitute substantial part of the fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.
- (ii) (a) The inventory of the company has been physically verified by the management during the year except material lying with the third parties. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operation of the company.
- (iii) (a) The company has not granted any loans secured or unsecured to the companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 excepting interest free unsecured loan to a company listed in register maintained under Section 301 of the Companies Act, 1956, Maximum amount involved and year end balance of such loan was Rs. 200.81 Lacs.
- (b) Other terms and conditions of such loans are, prima facie, not prejudicial to the interest of the company.
- (c) As regards repayment of above loans are concerned, no terms of repayment have been stipulated.
- (d) The company has not taken any loans secured or unsecured from the companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion, and according to information and explanations given to us, there is an adequate internal control system commensurate with the size of company and nature

---

---

of its business for the purchase of inventory and fixed assets and for the sale of goods and services.

Further, during the course of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor we have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.

- (v) (a) In our opinion and according to the information and explanation given to us, the transactions made in purchase 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 price as far as we could ascertain on the basis of information and explanations given to us.
- (vi) The company has not accepted any deposits from the public during the year under audit within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under.
- (vii) In our opinion, and according to information and explanations given to us, the company has an adequate internal audit system commensurate with the size of the company and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company relating to the manufacture of 'footwear' pursuant to the order made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other products of the company.
- (ix) (a) The company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with appropriate authorities. Further, in absence of notification from the Government in respect of Cess as per the provisions of Section 441A of Companies Act, 1956, the same could not be quantified/ deposited.
- According to the information and explanations given to us, no undisputed dues in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (b) Dues of Income Tax / Sales Tax / Wealth Tax/ Custom Duty / Excise Duty / Cess which have not been paid on account of any dispute are as under:

**SUPER TANNERY LIMITED**

Name of the Structure	Nature of Dues	Forum where dispute is	Period to which amount relates	Amount (Rs.)
Income Tax Act	Income Tax Tax & Interest	CIT Appeals, Kanpur	A.Y. 2007-08, A.Y. 2009-10 & A.Y. 2010-11	107.36 Lacs

- (x) The company does not have accumulated losses as at 31st March, 2013 and has not incurred cash loss during the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the information and explanation given to us, the company has not defaulted in repayment of dues to any bank during the year. There are no dues to any financial institution or debenture holder.
- (xii) According to the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information and explanation given to us, the provisions of any special statute as applicable to chit fund, nidhi, mutual benefit fund/societies are not applicable to the company.
- (xiv) In our opinion and according to the information and explanation given to us, the company is not a dealer / trader in share, securities, debentures and other investments.
- (xv) The company has not given any guarantees for loans taken by others from banks or financial institution.
- (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, in our opinion funds raised for short term purposes have, prima facie, not been used for long term requirements.
- (xviii) The company has not made any preferential allotment of shares to any parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us the company has not issued any Debentures, during the year.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For Kapoor Tandon & Co.,  
Chartered Accountants  
Firm Reg. No. 000952C  
**R.P. Gupta**  
Partner  
Membership No. 070904

Place: Kanpur  
Date : 29.05.2013



---

---

**Kapoor Tandon & Co.**

Chartered Accountants

24/57 First Floor, Birhana Road  
(Opp. Central Chest Clinic) KANPUR - 208001  
Ph: 2361244 Fax: (0512) 2361244  
Email: ktc\_rajesh@yahoo.co.in

**Auditors' Certificate on Corporate Governance**

To  
The Members of  
Super Tannery Limited

We have examined the compliance of conditions of Corporate Governance by Super Tannery Limited (the company) for the financial year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s) in India.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with, in all material respect, with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

For Kapoor Tandon & Co.,  
Chartered Accountants  
Firm Reg. No. 000952C  
**R.P. Gupta**  
Partner  
Membership No. 070904

Place: Kanpur  
Date : 29.05.2013

**SUPER TANNERY LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Note No.	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	2	10,79,73,360	10,79,73,360
b) Reserves and Surplus	3	<u>52,35,72,581</u>	<u>48,30,95,534</u>
		63,15,45,941	59,10,68,894
<b>2. Non Current Liabilities</b>			
a) Long Term Borrowings	4	8,58,99,408	2,00,00,000
b) Deferred Tax Liabilities (Net)	5	<u>7,63,32,944</u>	<u>6,54,63,000</u>
		16,22,32,352	8,54,63,000
<b>3. Current Liabilities</b>			
a) Short Term Borrowings	6	69,01,78,792	73,57,67,544
b) Trade Payables	7	43,57,22,507	26,93,47,484
c) Other Current Liabilities	8	21,43,46,649	14,39,32,459
d) Short Term Provisions	9	<u>1,52,78,604</u>	<u>2,71,27,787</u>
		1,35,55,26,552	1,17,61,75,274
<b>TOTAL</b>		<u><u>2,14,93,04,845</u></u>	<u><u>1,85,27,07,168</u></u>
<b>II. ASSETS :</b>			
<b>1. Non Current Assets</b>			
(a) Fixed Assets :			
(i) Tangible Assets:	10	60,38,85,566	57,41,42,846
(ii) Capital Work in Progress	10	2,13,17,949	2,26,34,436
(b) Non Current Investments	11	3,35,54,738	3,35,63,941
(c) Long Term Loans & Advances	12	<u>3,53,19,599</u>	<u>3,52,28,112</u>
		69,40,77,812	66,55,69,335
<b>2. Current Assets</b>			
(a) Inventories	13	73,99,02,924	56,55,44,661
(b) Trade Receivables	14	54,54,16,790	47,11,35,620
(c) Cash and Cash Balances	15	3,20,40,218	2,37,24,368
(d) Short Term Loans and Advances	16	6,89,16,584	3,02,21,424
(e) Other Current Assets	17	<u>6,89,50,517</u>	<u>9,54,11,760</u>
		1,45,52,27,033	1,18,71,37,833
<b>TOTAL</b>		<u><u>2,14,93,04,845</u></u>	<u><u>1,85,27,07,168</u></u>

**Significant Accounting Policies 1**

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

As per our report of even date

For Kapoor Tandon & Co.,

Chartered Accountants

Firm Reg. No. 000952C

(R.P. Gupta)

Partner

M.No. 070904

Place : Kanpur

Dated : 29.05.2013

For and on behalf of the Board of Directors

Mohd. Imran  
Director (Finance)

Iftikharul Amin  
Managing Director

Iqbal Ahsan  
Joint Managing Director

R.K. Awasthi  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	2012-13 (Rupees)	2011-12 (Rupees)
<b>REVENUE</b>			
Revenue from operations (gross)	18	2,56,14,24,429	2,51,43,32,438
Less : Excise Duty		<u>35,51,703</u>	<u>3,06,290</u>
Revenue from operations (net)		<u>2,55,78,72,726</u>	<u>2,51,40,26,148</u>
Other Income	19	1,01,46,931	37,27,083
<b>Total Revenue</b>		<u><u>2,56,80,19,657</u></u>	<u><u>2,51,77,53,231</u></u>
<b>EXPENSES</b>			
Cost of Material consumed	20	1,83,07,22,933	1,76,74,13,520
Purchase of Stock-in-trade	21	19,43,52,782	9,47,03,185
(Increase)/decrease in Inventories of Finished Goods, Work-in-Process and Traded Goods	22	(5,62,14,206)	6,52,47,552
Employee Benefits Expense	23	6,12,92,645	6,01,44,153
Finance Costs	24	9,19,69,264	9,36,72,797
Depreciation and Amortisation	25	3,93,99,678	3,54,47,571
Other Expenses	26	32,38,96,777	30,78,42,145
<b>Total Expenses</b>		<u><u>2,48,54,19,873</u></u>	<u><u>2,42,44,70,923</u></u>
<b>Profit Before Tax</b>		8,25,99,784	9,32,82,308
<b>Tax Expenses</b>			
- Current Tax		2,20,00,000	2,42,00,000
- Deferred Tax		1,08,69,944	82,55,282
- Tax adjustments relating to earlier years		27,58,381	33,85,777
<b>Profit for the year</b>		4,69,71,459	5,74,41,249
<b>Earning per Equity Share (EPS)</b>			
(Face value of Re. 1/- each)	27		
Basic		0.44	0.53
Diluted		0.44	0.53
<b>Significant Accounting Policies</b>	1		

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

As per our report of even date

For Kapoor Tandon & Co.,

*Chartered Accountants*

Firm Reg. No. 000952C

(R.P. Gupta)

*Partner*

M.No. 070904

For and on behalf of the Board of Directors

Mohd. Imran  
*Director (Finance)*

Iftikharul Amin  
*Managing Director*

Place : Kanpur  
Dated : 29.05.2012

Iqbal Ahsan  
*Joint Managing Director*

R.K. Awasthi  
*Company Secretary*

**SUPER TANNERY LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	2012-2013 (Rupees)	2011-2012 (Rupees)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX</b>	<b>8,25,99,784</b>	<b>9,32,82,308</b>
Adjustment for :		
Depreciation	3,93,99,678	3,54,47,571
Interest - Paid	8,38,73,394	8,77,48,681
Interest - Earned	(8,26,961)	(7,71,516)
Gratuity Payable	(29,93,359)	12,89,916
Bad Debts written off	31,93,135	16,56,861
Exchange Fluctuation	(93,16,343)	(3,44,17,374)
Fixed Assets - Loss on sale	43,45,310	11,94,405
Fixed Assets - Profit on sale	(49,26,142)	(2,50,000)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>19,53,48,496</b>	<b>18,51,80,852</b>
ADJUSTMENTS FOR :		
Trade and Other receivables	(8,04,83,324)	2,10,31,239
Inventories	(17,32,58,263)	11,39,32,258
Trade and Other Payables	21,60,73,232	(16,46,43,490)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>15,76,80,141</b>	<b>15,55,00,859</b>
Interest Paid (Net)	(7,52,76,905)	(8,33,22,165)
Income Tax Paid (net of Refunds)	(3,36,14,205)	(2,47,83,938)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>4,87,89,031</b>	<b>4,73,94,756</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets(including CWIP)	(7,47,47,634)	(5,05,16,333)
Sale of Fixed Assets	72,82,610	18,28,752
Investment in Subsidiary Company	9,203	(54,106)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(6,74,55,821)</b>	<b>(4,87,41,687)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Working Capital	(5,19,34,378)	(6,98,57,197)
Corporate Loan (Net)	7,94,56,135	4,05,43,865
Foreign Currency Loan	60,42,482	53,51,375
Term Loan	76,92,272	--
Interest paid	(77,69,528)	(36,55,000)
Dividend paid	(65,04,342)	(62,93,142)
<b>NET CASH FLOW USED IN FINANCING ACTIVITIES</b>	<b>2,69,82,641</b>	<b>(3,39,10,099)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>83,15,851</b>	<b>(3,52,57,030)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>2,37,24,367</b>	<b>5,89,81,397</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>3,20,40,218</b>	<b>2,37,24,367</b>

**Significant accounting policies**

1

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

As per our report of even date

For Kapoor Tandon &amp; Co.,

Chartered Accountants

Firm Reg. No. 000952C

(R.P. Gupta)

Partner

M.No. 070904

Place : Kanpur

Dated : 29.05.2013

For and on behalf of the Board of Directors

Mohd. Imran  
Director (Finance)Iftikharul Amin  
Managing DirectorIqbal Ahsan  
Joint Managing DirectorR.K. Awasthi  
Company Secretary

---

---

**Notes to financial statements for the year ended 31st March, 2013****1. SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention, except for certain fixed assets which were revalued, on accrual basis of accounting in accordance with the applicable Accounting Standards as prescribed by the Companies (Accounting Standard) Rules, 2006 (AS), Generally Accepted Accounting Principles (GAAP) in India and the relevant provisions of the Companies Act, 1956 (the Act).

**1.2 Use of Estimates**

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

**1.3 Fixed Assets**

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

**1.4 Depreciation**

- i) Depreciation on fixed assets excepting leasehold land and intangible assets is provided as under:
  - a) Assets acquired and put to use on or upto 31st March, 1992, is provided on Written Down Value Method as per Schedule XIV to the Companies Act, 1956;
  - b) Assets acquired and put to use after 31st March, 1992, is provided on Straight Line Method as per Schedule XIV to the Companies Act, 1956; and
  - c) Amount attributable to appreciation due to revaluation, is provided on Straight Line Method as per Schedule XIV to the Companies Act, 1956 and equivalent amount is withdrawn from Revaluation Reserve.
- ii) Cost of lease land is amortized over the period of lease. Intangible assets are amortised over a period of ten years under the straight line method of amortization.

**1.5 Impairment of assets**

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the

## **SUPER TANNERY LIMITED**

---

recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to the recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

### **1.6 Capital work in progress**

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

### **1.7 Investments**

Long term investments (non current) are carried at cost and provision, if necessary, is made for decline other than temporary in their value. Current investments are carried at lower of cost and market/fair value.

### **1.8 Inventories**

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

### **1.9 Provisions, Contingent Liabilities and Contingent Assets**

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

### **1.10 Revenue Recognition**

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

### **1.11 Retirement Benefits**

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

---

---

### **1.12 Foreign Currency Translations**

- i) The reporting currency of the company is Indian rupees.
- ii) Outstanding foreign currency assets and liabilities are translated at the exchange rate prevailing at the Balance Sheet date. Gains or losses on these assets and liabilities relating to the acquisition of fixed assets are adjusted to the cost of such fixed assets and those relating to other accounts are recognized in the statement of profit and loss. Exchange Difference arising as a result of transactions settled during financial year are included in sales.

### **1.13 Intangible Assets**

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

### **1.14 Earning Per Share (EPS)**

Earning per share is calculated in accordance with the procedure laid out in AS-20 on Earning Per Share.

### **1.15 Excise Duty**

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

### **1.16 Borrowing Cost**

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

### **1.17 Taxation**

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

### **1.18 Prior Period Items**

Prior period items, if material, are disclosed separately.

### **1.19 Cash Flow Statement**

Cash flow statement is prepared in accordance with the "Indirect Method" prescribed in AS -3 on Cash Flow Statements.

## SUPER TANNERY LIMITED

Particulars	As at 31.03.13 (Rupees)	As at 31.03.12 (Rupees)
<b>2. SHARE CAPITAL</b>		
<b>Authorised</b>		
11,00,00,000 Equity Shares of Re.1/- each	11,00,00,000	11,00,00,000
<b>Issued, Subscribed and fully paid up</b>		
10,79,73,360 Equity Shares of Re.1/- each fully paid up	10,79,73,360	10,79,73,360
<b>Total</b>	<b>10,79,73,360</b>	<b>10,79,73,360</b>

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

Equity Shares	As at 31.03.13 (Rupees)		As at 31.03.12 (Rupees)	
	No. of Shares	(Rupees)	No. of Shares	(Rupees)
At the beginning of the year	10,79,73,360	10,79,73,360	10,79,73,360	10,79,73,360
Changes during the year	-	-	-	-
Outstanding at the end of the year	<b>10,79,73,360</b>	<b>10,79,73,360</b>	<b>10,79,73,360</b>	<b>10,79,73,360</b>

### 2.2 Term/rights attached to equity shares

The company has only one class of equity shares having a par value of Re. 1/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	No. of Shares
Bonus Shares issued during preceding five F.Y.	
Financial Year 2008-09	1,79,95,560 (equity shares of Rs. 2/- each fully paid ratio 1:1)
Financial Year 2009-10	1,79,95,560 (equity shares of Rs. 2/- each fully paid ratio 1:2)

### 2.4 Face Value of Equity Shares-sub division / split in preceding five years:

At the annual general meeting held on 30th September 2010, the members of company have approved a stock split i.e. sub-division each equity share of the company of the face value of Rs. 2/- each as existing on Record Date, shall stand sub-divided into two equity shares of face value of Re. 1/- each fully paid up, and consequently the Authorized and Paid up Equity Share Capital of the company be changed accordingly.

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

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

Name of the Share Holder	As at 31.03.13		As at 31.03.12	
	No. of Shares	% held	No. of Shares	% held
1) Mr. Veqarul Amin	1,78,83,900	16.56%	1,78,83,900	16.56%
2) Mr. Iqbal Ahsan	91,42,502	8.47%	91,42,502	8.47%
3) Mr. Iftikharul Amin	90,80,432	8.41%	90,77,432	8.41%



Particulars	As at 31.03.13 (Rupees)	As at 31.03.12 (Rupees)
<b>3. RESERVES AND SURPLUS</b>		
<b>Capital Reserves</b>		
Balance as per last Balance Sheet	17,67,180	17,67,180
<b>Capital Subsidy under Tannery Modernisation Scheme</b>		
Balance as per last Balance Sheet	1,35,00,256	1,35,00,256
<b>Securities Premium Reserve</b>		
Balance as per last Balance Sheet	2,70,17,760	2,70,17,760
<b>Provision Reserve</b>		
Balance as per last Balance Sheet	1,99,21,104	2,01,67,447
Less: Amount transferred to the Statement of Profit and Loss as reduction from depreciation	<u>2,19,945</u>	<u>2,46,343</u>
	1,97,01,159	1,99,21,104
<b>General Reserve</b>		
Balance as per last Balance Sheet	40,00,00,000	37,00,00,000
Add : From the Statement of Profit and Loss	<u>4,00,00,000</u>	<u>3,00,00,000</u>
	44,00,00,000	40,00,00,000
<b>Surplus in the Statement of profit and loss</b>		
Balance as per last Balance Sheet	2,08,89,234	-2,77,548
Profit for the year	<u>4,69,71,459</u>	<u>5,74,41,249</u>
	6,78,60,693	5,71,63,701
Proposed dividend on equity share (Re. 0.05 per Equity Share (Re. 0.05 per Equity Share))	53,98,668	53,98,668
Dividend Distribution Tax	8,75,799	8,75,799
Transfer to General Reserve	<u>4,00,00,000</u>	<u>3,00,00,000</u>
	2,15,86,226	2,08,89,234
	<u>52,35,72,581</u>	<u>48,30,95,534</u>
<b>4. LONG TERM BOROWINGS</b>		
<b>Secured</b>		
<b>Term Loans</b>		
<b>Rupee Loans</b>		
Corporate Loan from State Bank of India	8,00,00,000	2,00,00,000
<b>Vehicle Loan</b>		
Kotam Mahindra Prime Ltd.	2,47,231	-
Kotam Mahindra Bank Ltd.	5,02,146	-
HDFC BANK	16,76,442	-
State Bank of India	<u>34,73,589</u>	-
<b>TOTAL</b>	<u>8,58,99,408</u>	<u>2,00,00,000</u>

## SUPER TANNERY LIMITED

- 4.1 Corporate loan (INR) from bank carries interest @ 13.70% p.a. The loan is repayable in 10 regular installments detailed as under:-
- First 2 quarterly installments of Rs. 0.25 crore. (From 30.06.2013 to 30.09.2013)
  - Next 1 quarterly installments of Rs. 0.50 crore. (On 31.12.2013)
  - Next 5 installments of Rs. 1 crore. On (From 31.03.2014 and 31.03.2015)
  - Last 2 installment of Rs. 2 crore. (on 30.06.2015 and 30.09.2015)
- 4.2 Vehicles Loans are repayable in equated monthly instalments ranging from 36 to 83 EMIs.
- 4.3 The corporate loan is secured by first charge over entire fixed assets (both present and future, except vehicles financed by other Banks/FIs) of the Company, extension of charge on current assets of the Company, corporate guarantee of a subsidiary Aarifi Tanners Limited. Loans are secured further by personal guarantee of promoter director(s).
- 4.4 Vehicle loans are secured by hypothecation of vehicle financed.

Particulars	As at 31.03.13 (Rupees)	As at 31.03.12 (Rupees)
<b>5. DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liability</b> <i>on account of</i>		
Depreciation	7,72,01,652	6,95,63,000
<b>Gross deferred tax liability</b>	<b>7,72,01,652</b>	<b>6,95,63,000</b>
<b>Deferred Tax Assets</b> <i>on account of</i>		
Expenses covered u/s 43B	8,68,708	41,00,000
<b>Gross deferred tax assets</b>	<b>8,68,708</b>	<b>41,00,000</b>
<b>Net Deferred Tax Liability @</b>	<b>7,63,32,944</b>	<b>6,54,63,000</b>
<p>@ Deferred tax asset has been recognized and carried to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets are realised. Deferred Tax Assets and Deferred Tax Liabilities have been set off in accordance with clause 29 of AS - 22.</p>		
<b>6. SHORT TERM BORROWING</b>		
<b>Secured</b>		
<b>Working Capital Loan</b>		
<b>Rupee Loan</b>		
<i>From State Bank of India</i>		
a) Cash Credit	4,25,00,384	1,53,40,666
b) Packing Credit	51,01,04,817	61,04,25,083
c) Advance against bills sent on collection	12,61,79,734	10,49,53,563
	<b>67,87,84,935</b>	<b>73,07,19,312</b>
<b>Foregin Currency Loan</b>		
<i>From State Bank of India</i>		
Buyers Credit	1,13,93,857	50,48,232
<b>TOTAL</b>	<b>69,01,78,792</b>	<b>73,57,67,544</b>

- 6.1 Working Capital Loan from State Bank of India is secured by hypothecation of Inventories & Book Debts, extension of charge on entire fixed assets (both present & future) of the Company and corporate guarantee of a subsidiary Aarifi Tanners Limited. Loans are secured further by personal guarantee of promoter director(s).

## 7. TRADE PAYABLES

Sundry Creditors	43,57,22,507	26,93,47,484
<b>TOTAL</b>	<u>43,57,22,507</u>	<u>26,93,47,484</u>

- 7.1 The company has requested confirmation from Suppliers regarding their registration (filling of Memorandum) under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). According to the information available with the company there was no amount (principal and/or interest) due to any micro/small enterprises (SME as defined in the Act) as at the end of the year. There is no delay in payment to SME during the year. No interest was paid/payable on account of delay in payment to SME during the year in terms of Section 16 of the Act.

Particulars	As at 31.03.13 (Rupees)	As at 31.03.12 (Rupees)
<b>8. OTHER CURRENT LIABILITIES</b>		
Current maturity of long term borrowings	4,17,92,864	2,00,00,000
Interest accrued but not due on borrowings	2,69,853	3,03,147
Interest accrued and due on borrowings	-	5,43,865
Book overdraft with banks	3,22,09,091	20,39,828
Security Deposit	29,500	30,000
Advance from Customers	2,45,11,749	1,52,77,353
Unpaid dividend (refer Note 8.1)	14,89,863	17,19,738
Other Liabilities	11,40,43,729	10,40,18,532
<b>TOTAL</b>	<u>21,43,46,649</u>	<u>14,39,32,459</u>

- 8.1 There are no amounts due for payment to Investor Education & Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

## 9. SHORT TERM PROVISIONS

Provision for Tax	2,20,00,000	2,42,00,000	
Less: Advance Tax	<u>2,27,13,562</u>	(7,13,562)	1,60,57,738
Provision for Gratuity		97,17,699	1,27,11,058
Proposed Dividend		53,98,668	53,98,668
Provision for Dividend Distribution Tax		8,75,799	8,75,799
<b>TOTAL</b>		<u>1,52,78,604</u>	<u>2,71,27,787</u>

( Rupees)

DESCRIPTION	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
	AS AT 01.04.2012	ADDITIONS	SALES/ ADJ.	AS AT 31.03.2013	UP TO 31.03.2012	FOR THE YEAR	ADJ.	UP TO 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012		
Land Leasehold	73,59,349	0	0	73,59,349	6,35,103	74,337	0	7,09,440	66,49,909	67,24,246		
Land Freehold	3,63,21,915	5,75,101	0	3,68,97,016	0	0	0	0	3,68,97,016	3,63,21,915		
Building	14,83,52,205	1,53,76,447	2,30,960	16,34,97,692	4,18,00,354	46,74,130	65,183	4,64,09,301	11,70,88,391	10,65,51,851		
Plant and Equipments	65,59,99,094	4,22,79,789	1,15,26,568	68,67,52,315	26,85,46,505	2,96,99,023	74,13,841	29,08,31,688	39,59,20,627	38,74,52,588		
Furniture & Fittings	1,08,14,592	14,65,998	0	1,22,80,590	57,45,829	5,34,712	0	62,80,541	60,00,049	50,68,763		
Vehicles	4,76,58,549	1,63,66,786	48,51,856	5,91,73,479	1,56,35,066	46,37,421	24,28,582	1,78,43,905	4,13,29,574	3,20,23,483		
<b>TOTAL</b>	90,65,05,704	7,60,64,121	1,66,09,384	96,59,60,441	33,23,62,858	3,96,19,623	99,07,606	36,20,74,875	60,38,85,566	57,41,42,846		
Add: Capital Work in Progress												
PREVIOUS YEAR	85,90,11,301	5,90,74,839	1,15,80,437	90,65,05,703	30,53,37,560	3,36,93,914	86,68,617	33,23,62,857	2,13,17,949	2,26,34,436		

10.1 Gross Depreciation for the year is Rs. 3,96,19,623 (Rs. 3,56,93,914) out of which Rs. 2,19,945 (Rs. 2,46,343) being depreciation on revalued amount, has been adjusted from Revaluation Reserve as per accounting policy given in the accounting policy of the depreciation.

10.2 Certain Fixed Assets of the Company were revalued by the Approved Valuer as on 31st March, 1992. Accordingly value of Fixed Assets of the Company was increased by Rs. 4,11,23,987 (Land Rs. 1,73,96,063, Building Rs. 70,44,300 and Plant and Machinery Rs. 1,66,83,624) and the corresponding amount was credited to the Revaluation Reserve.

Particulars	As at 31.03.13 (Rupees)	As at 31.03.12 (Rupees)
<b>11. NON CURRENT INVESTMENTS</b>		
<i>(Long Term Investments)</i>		
<b>Trade (valued at cost unless stated otherwise)</b>		
<b>EQUITY SHARES - UNQUOTED</b>		
<b>A. INVESTMENT IN SUBSIDIARIES</b>		
Super Tannery (U.K.) Limited		
2,100 Ordinary Shares of GBP 1/- each fully paid up	1,52,096	1,69,569
Aarifi Tanners Limited		
12,05,366 Equity Shares of Rs 10/- each fully paid up	1,64,23,500	1,64,23,500
Super Safetywears Limited		
14,99,300 Equity Shares of Rs 10/- each fully paid up	1,49,93,000	1,49,93,000
Safety Solutions S.R.O		
6,638 Ordinary Shares of EURO 1/- each fully paid up	4,65,492	4,57,195
	<b>3,20,34,088</b>	<b>3,20,43,291</b>
<b>B. OTHERS</b>		
Superhouse Overseas Limited		
5,000 Equity Shares of Rs.10/- each fully paid up	50,000	50,000
Al-Barr Finance House limited		
30,000 Equity Shares of Rs. 10/- each fully paid up	3,00,000	3,00,000
Svit Pronext Machines Private Limited		
8,500 Equity Shares of Rs. 10/- each fully paid up	85,000	85,000
Industrial Infrastructure Services (India) Limited		
35,365 Equity Shares of Rs. 10/- each fully paid up	3,53,650	3,53,650
Kanpur Unnao leather Cluster Development Co, Ltd		
60,000 Equity Shares of Rs. 10/- each fully paid up	6,00,000	6,00,000
Banthal Industrial Pollution Control Company		
8,000 Equity Shares of Rs. 10/- each fully paid up	80,000	80,000
<b>Total (A)</b>	<b>14,68,650</b>	<b>14,68,650</b>
	<b>3,35,02,738</b>	<b>3,35,11,941</b>
<b>Non Trade (valued at cost unless stated otherwise)</b>		
<b>EQUITY SHARES - QUOTED</b>		
Superhouse Limited		
5,200 Equity Shares of Rs. 10/- each fully paid.	52,000	52,000
<b>Total (B)</b>	<b>52,000</b>	<b>52,000</b>
<b>TOTAL (A+B)</b>	<b>3,35,54,738</b>	<b>3,35,63,941</b>
Book value of Quoted Investments (Net of Provisions)	52,000	52,000
Book value of Unquoted Investments	3,35,02,738	3,35,11,941
Market value of Quoted Investments	2,48,560	2,50,900

## SUPER TANNERY LIMITED

Particulars	As at 31.03.13 (Rupees)	As at 31.03.12 (Rupees)
<b>12. LONG TERM LOANS &amp; ADVANCES</b> (unsecured considered good)		
Loan to related party (refer Note 37)		
-Super Shoes Ltd.	2,00,81,750	2,00,81,750
Security Deposit	29,37,883	29,37,883
Advance to Subsidiaries	1,22,99,926	1,22,08,479
<b>TOTAL</b>	<b>3,53,19,559</b>	<b>3,52,28,112</b>

### 12.1 Disclosure as per clause 32 of the Listing Agreement with the Stock Exchanges

Name of the party	Relationship	Amount outstanding as at 31st March 2013 (Rs.)	Maximum Amount outstanding during the year (Rs.)
<b>Loans &amp; Advances</b>			
Super Tannery (U.K.) Limited	Subsidiary Company	99,38,514 (98,47,067)	99,38,514 (98,47,067)
Safety Solutions s.r.o	Subsidiary Company	23,61,412 (23,61,412)	23,61,412 (23,61,412)
Super Shoes Limited	Associate Company	2,00,81,750 (2,00,81,750)	2,00,81,750 (2,00,81,750)

\*Loans & Advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties.

<b>13. INVENTORIES (valued at lower of cost and net realisable value)</b>		
Raw Materials	18,25,21,410	8,18,08,310
Work in Progress (refer Note 28)	22,83,75,539	24,81,53,587
Finished Goods* (refer Note 29)	17,65,39,313	11,67,17,711
Stock of Waste & Scrap	3,25,35,629	1,63,64,977
Chemicals, Components and Spare Parts	11,99,31,033	10,36,00,076
<b>TOTAL</b>	<b>73,99,02,924</b>	<b>56,66,44,661</b>

\*Finished Goods include Stock in Trade, as both are stocked together

### 14. TRADE RECEIVABLES

(Unsecured)				
Outstanding for a period exceeding six months from the date they are due for payment				
Considered Good		12,95,52,575		5,51,91,761
Considered Doubtful	21,99,490		21,99,490	
Less: Provision for Doubtful Receivables	21,99,490	0	21,99,490	0
Others				
Considered Good		41,58,64,215		41,59,43,859
<b>TOTAL</b>		<b>54,54,16,790</b>		<b>47,11,35,620</b>
<b>Trade receivable include:</b>				
Due from subsidiary companies		6,92,07,043		10,63,93,652
Due from a Company in which one of the Director is interested Director(s) are having shares and are Director in Associate Company (refer Note 37)		3,36,04,980		3,98,51,150

Particulars	As at 31.03.13 (Rupees)	As at 31.03.12 (Rupees)
<b>15. CASH AND CASH EQUIVALENTS</b>		
<b>Cash and cash equivalents</b>		
Cash in Hand (as Certified by the Management)	37,95,958	18,43,153
Cheques in hand/Remittance in Transit	53,06,247	11,97,180
<b>Balances with Scheduled Banks in:</b>		
Current Accounts	1,46,68,714	65,41,172
Foreign Currency Account (EEFC A/C)	3,90,512	4,10,573
	<u>2,41,61,431</u>	<u>99,92,078</u>
<b>Other bank balances</b>		
Margin Money Deposit Accounts	63,88,924	1,20,12,552
Unpaid Dividend Account	14,89,863	17,19,738
	<u>78,78,787</u>	<u>1,37,32,290</u>
<b>TOTAL</b>	<u>3,20,40,218</u>	<u>2,37,24,368</u>
<b>16. SHORT TERM LOANS &amp; ADVANCES</b> (Unsecured considered good)		
Advance recoverable in cash or kind or for value to be received	<u>6,89,16,584</u>	<u>3,02,21,424</u>
<b>TOTAL</b>	<u>6,89,16,584</u>	<u>3,02,21,424</u>
<b>17. OTHER CURRENT ASSETS</b> (Unsecured considered good)		
Export Incentive Receivable	3,53,50,527	2,16,80,301
Other Current assets	3,35,61,835	7,35,93,304
Assets held for Sales	1,38,155	1,38,155
<b>TOTAL</b>	<u>6,89,50,517</u>	<u>9,54,11,760</u>
<b>Particulars</b>	<b>31.03.13 (Rupees)</b>	<b>31.03.12 (Rupees)</b>
<b>18. REVENUE FROM OPERATIONS</b>		
<b>Revenue from operations</b>		
Sale of Leather & Leather Products		
Sales (Export) [Refer note 18.1]	1,72,26,67,734	1,81,68,26,394
Sales (Others) [Refer note 18.1]	36,41,19,685	27,18,76,204
Exchange Fluctuation	93,16,343	3,44,17,374
Inter Division Transfer (as per contra Note no. 20)	32,92,05,237	22,89,36,142
Export Incentives (refer Note 18.2)	13,61,15,430	16,22,76,324
<b>Revenue from operations (gross)</b>	<u>2,56,14,24,429</u>	<u>2,51,43,32,438</u>
Less : Excise duty	35,51,703	3,06,290
<b>Revenue from operations (net)</b>	<u>2,55,78,72,726</u>	<u>2,51,40,26,148</u>

**SUPER TANNERY LIMITED**

Particulars	As at 31.03.13 (Rupees)		As at 31.03.12 (Rupees)	
	18.1 Details of Sales Product wise:			
Particular	2012-13		2011-12	
	Export	Others	Export	Others
Finished Lather	1,19,08,49,180	29,48,96,010	1,14,08,40,805	25,55,22,742
Leather Shoes & Components	52,91,71,370	6,92,18,575	67,21,08,595	1,63,53,462
Other Leather Products	26,47,184	5,100	38,76,994	-
	<u>1,72,26,67,734</u>	<u>36,41,19,685</u>	<u>1,81,68,26,394</u>	<u>27,18,76,204</u>
<b>18.2 Details of Export Incentives</b>				
Duty Draw Back		6,67,38,478		5,77,89,720
Other Export Incentives / Licences		6,93,76,952		10,44,86,604
<b>TOTAL</b>		<u>13,61,15,430</u>		<u>16,22,76,324</u>
<b>19. OTHER INCOME</b>				
Interest income from Fixed Deposit with Banks		8,26,961		7,71,516
Profit on Sale of Fixed Assets		49,26,142		2,50,000
Excess Provision written back		31,78,895		0
Miscellaneous Income		12,14,933		26,38,461
Commission Received		0		67,106
<b>TOTAL</b>		<u>1,01,46,931</u>		<u>37,27,083</u>
<b>20. COST OF MATERIAL CONSUMED</b>				
<b>Raw Material consumed</b>				
Opening Stock		8,18,08,310		13,53,43,755
Add : Purchase		1,08,15,98,992		1,01,47,26,933
Inter Division Transfers		32,92,05,237		22,89,36,143
(as per contra note no. 18)		1,49,26,12,539		1,37,90,06,831
Less : Closing Stock		18,25,21,410		8,18,08,310
Raw Material consumed (Ref. Note 20.1)		1,31,00,91,129		1,29,70,98,521
Chemicals consumed		41,85,84,117		36,51,82,147
Stores & Spares consumed		10,20,47,687		10,50,32,852
<b>Cost of material consumed</b>		<u>1,83,07,22,933</u>		<u>1,76,74,13,520</u>
<b>20.1 Detail of Raw Material consumed</b>				
Raw Hide for Sole		8,69,91,328		9,35,06,434
Goat Skins		33,76,98,747		27,47,61,568
Raw Hide for Chrome		40,10,65,448		21,36,55,792
Wet Blue Leather (Chrome)		1,95,43,356		1,86,16,937
Uppers for Safety Shoes		22,02,22,584		18,22,53,702
Finished Leather for Shoe Uppers & Shoes		24,10,79,166		24,85,10,941
Others		34,90,500		26,58,93,147
<b>Total</b>		<u>1,31,00,91,129</u>		<u>1,29,71,98,521</u>



	As at 31.03.13 (Rupees)	As at 31.03.12 (Rupees)
<b>21. PURCHASE OF STOCK-IN-TRADE</b>		
Finished Goods	12,06,01,403	8,97,36,105
Trading Items	7,37,51,379	49,67,080
<b>TOTAL</b>	<u>19,43,52,782</u>	<u>9,47,03,185</u>
<b>22. DECREASE/(INCREASE) IN INVENTORIES</b>		
<b>Inventories at the beginning of the year</b>		
Finished Goods	11,67,17,711	19,20,55,525
Stock of Waste & Scrap	1,63,64,977	27,67,030
Work in Progress	24,81,53,587	25,16,61,272
<b>TOTAL 'A'</b>	<u>38,12,36,275</u>	<u>44,64,83,827</u>
<b>Inventories at the end of the year</b>		
Finished Goods	17,65,39,313	11,67,17,711
Stock of Waste & Scrap	3,25,35,629	1,63,64,977
Work in Progress	22,83,75,539	24,81,53,587
<b>TOTAL 'B'</b>	<u>43,74,50,481</u>	<u>38,12,36,275</u>
<b>Decrease/(Increase) in Stocks (A-B)</b>	<u>(5,62,14,206)</u>	<u>6,52,47,552</u>
<b>23. EMPLOYEE BENEFITS EXPENSES</b>		
Salary, Wages and Bonus	3,78,33,478	3,69,91,438
Directors Remuneration (refer Note 35)	89,80,553	89,97,833
Contribution to Provident and other funds	1,04,84,514	1,02,21,274
Workmen and Staff Welfare expenses	39,94,100	39,33,608
<b>TOTAL</b>	<u>6,12,92,645</u>	<u>6,01,44,153</u>
<b>24. FINANCE COSTS</b>		
Interest on		
- Term Loan	77,69,528	36,55,000
- Others	7,61,03,866	8,40,93,681
	<u>8,38,73,394</u>	<u>8,77,48,681</u>
Bank Charges	66,01,551	47,24,492
Foreign Bank Charges	14,94,319	11,99,624
<b>TOTAL</b>	<u>9,19,69,264</u>	<u>9,36,72,797</u>
<b>25. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of tangible assets	3,96,19,623	3,56,93,914
Less: recoupment from revaluation reserve (refer Note 10.1)	2,19,945	2,46,343
<b>TOTAL</b>	<u>3,93,99,678</u>	<u>3,54,47,571</u>

**SUPER TANNERY LIMITED**

	As at 31.03.13 (Rupees)	As at 31.03.12 (Rupees)
<b>26. OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Wages & Bonus (including Job Charges)	8,17,92,291	7,50,41,273
Power and Fuel	6,38,84,707	5,53,27,355
Pollution Control Expenses	25,58,344	22,40,369
Repairs and Maintenance		
- Building	19,24,381	11,65,508
- Machinery	67,28,896	58,54,134
	<u>15,68,88,619</u>	<u>13,96,28,639</u>
<b>Selling and Distribution Expenses</b>		
Packing and Forwarding	2,62,69,946	2,20,35,195
Freight & Cartage	5,34,55,160	6,20,82,469
Commission on Sale	1,84,55,373	1,58,57,724
Advertisement and Publicity	4,39,985	4,69,620
Bad Debts - Provision/write off	31,93,135	16,56,861
	<u>10,18,13,599</u>	<u>10,21,01,869</u>
<b>Establishment Expenses</b>		
Rent	17,32,619	21,62,589
Rates and Taxes	56,29,961	81,81,695
Insurance	30,44,742	21,60,656
E.C.G.C. Premium	53,98,250	53,61,800
Communication Cost	43,12,489	39,58,586
Travelling and Conveyance	2,03,36,852	1,77,23,509
Repairs and Maintenance - Others	59,49,456	59,09,353
Printing and Stationery	13,70,969	12,62,865
Legal and Professional Charges	15,10,837	26,95,156
Auditor's Remuneration (refer Note 26.1)	5,14,396	6,14,760
Miscellaneous Expenses	79,43,140	1,23,34,292
Research & Development Expenses	1,33,994	1,40,469
Subscription and Donation	29,71,544	24,11,502
Loss on Sale of Fixed Assets	43,45,310	11,94,405
	<u>6,51,94,559</u>	<u>6,61,11,637</u>
<b>TOTAL</b>	<u><u>32,38,96,777</u></u>	<u><u>30,78,42,145</u></u>
<b>26.1 Payment to auditor</b>		
<b>As Auditor:</b>		
Audit Fees	3,36,893	3,28,545
<b>In other capacity:</b>		
Taxation & other services	1,77,503	2,86,215
<b>TOTAL</b>	<u><u>5,14,396</u></u>	<u><u>6,14,760</u></u>
<b>27. Earning per share (EPS)</b>		
Profit for the year	4,69,71,459	5,74,41,249
Weighted average number of equity shares for the purpose of calculation of Basic and Diluted EPS	10,79,73,360	10,79,73,360
Nominal value of equity shares (Rs.)	1.00	1.00
EPS- Basic and diluted (Rs.)	0.44	0.53
<b>28. Closing Inventory of Work-in-Progress</b>		
Leather and Leather Products	22,83,75,539	24,81,53,587
<b>TOTAL</b>	<u><u>22,83,75,539</u></u>	<u><u>24,81,53,587</u></u>

	As at 31.03.13 (Rupees)	As at 31.03.12 (Rupees)
<b>29. Closing Inventory of Finished Goods</b>		
Leather and Leather Products	17,65,39,313	11,67,17,711
<b>TOTAL</b>	<u>17,65,39,313</u>	<u>11,67,17,711</u>

**30. Imported and indigenous raw materials, components and spare parts consumed**

PARTICULARS	2012-13		2011-12	
	Rupees	%	Rupees	%
<b>Raw Material</b>				
Imported	5,78,81,119	4.42%	6,15,03,643	4.74%
Indigenous	1,25,22,10,010	95.58%	1,23,56,94,878	95.26%
<b>Chemicals Components, Stores &amp; Spare parts (Including Packing Material)</b>				
Imported (Direct)	11,51,99,235	22.13%	11,58,67,572	24.64%
Indigenous	40,54,32,569	77.87%	35,43,47,427	75.36%

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.

**31. Value of Imports on CIF basis**

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

Raw Materials	4,64,79,837	3,37,36,837
Chemicals, Stores, Components and Spare Parts	12,55,88,681	10,41,68,717
Capital Goods	3,21,07,876	2,81,39,612
Others	14,70,248	2,05,51,123
<b>Total</b>	<u>20,56,46,642</u>	<u>18,65,96,289</u>

**32. Earnings in foreign exchange**

Export of goods calculated on FOB Basis	1,69,52,44,658	1,80,32,71,732
---	----------------	----------------

**33. Expenditure in foreign currency**

- Travelling	1,06,95,261	54,83,413
- Others	1,89,37,055	1,77,66,044

<b>34. Remittance in foreign currency on account of Dividend</b>	NIL	NIL
--	-----	-----

**35. Directors Remuneration:**

Salary	61,97,250	63,34,313
Commission	24,00,000	24,00,000
Contribution to Provident Fund & Family Pension Fund	2,40,660	2,63,520
<b>Total</b>	<u>88,37,910</u>	<u>89,97,833</u>

## SUPER TANNERY LIMITED

### 36. Disclosure in terms of AS 15

#### 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.

( Rupees )

#### Reconciliation of Opening and Closing balance of present value of defined benefit obligation for Gratuity

Present Value of Obligation at beginning of the year	1,28,82,211
Current Service Cost	10,27,860
Interest Cost	9,08,379
Benefits paid	(11,15,882)
Actuarial (Gain)/Loss on Obligations	17,82,293
Plan amendments	-
Present Value of Obligation at end of the year	1,54,84,861

#### Reconciliation of Opening and Closing Fair Value of Plan Assets

Fair Value of Plan Assets at beginning of the year	35,17,293
Expected Return on Plan Assets	3,21,832
Contributions	28,74,589
Benefit Paid	(11,15,882)
Actuarial Gain / (Loss) on Plan Assets	1,69,330
Fair Value of Plan Assets at end of the year	57,67,162

#### Reconciliation of Present Value of Obligations and Fair Value of Plan Assets

Fair Value of Plan Assets at end of the year	57,67,162
Present Value of Obligation at end of the year	1,54,84,861
<b>Asset/(Liability) recognised in the Balance Sheet</b>	<b>(97,17,699)</b>

#### Expenses recognised during the year

Current Service Cost	10,27,860
Interest Cost	9,08,379
Expected Return on Plan Assets	(3,21,832)
Plan amendments/excess provision held	(63,43,323)
Total Actuarial Loss/(Gain) recognised during the year	16,12,963

**Net Cost recognised in Statement of Profit and Loss** (31,15,953)

#### Assumptions

Discount Rate (p.a.)	8.50%
Expected Rate of increase in Salary (p.a.)	8.50%
Expected Rate of return on Plan Assets (p.a.)	9.15%

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

**A. Relationship**

**i. Subsidiary (Wholly owned) Company**

Aarifi Tanners Limited  
 Super Safetywears Limited  
 Super Tannery (U.K.) Limited  
 Safety Solutions s.r.o

**ii. Joint Ventures, Associates & Entities:**

**Joint Venture: Nil**

**Associates : Nil**

**iii. Key Management Personnel & Relatives:**

Mr. Iftikharul Amin (Managing Director)  
 Mr. Iqbal Ahsan (Joint Managing Director)  
 Mr. Veqarul Amin (Joint Managing Director)  
 Mr. Imran Siddiqui (Whole-time Director)  
 Mr. Arshad Khan (Whole-time Director)  
 Mr. Mohd. Imran (Whole-time Director)  
 Mr. Mubasherul Amin (Son of Mr. Iqbal Ahsan)  
 Mr. Tanveerul Amin (Son of Mr. Iftikharul Amin)  
 Mr. Khalid Sayeed (Brother of Mr. Imran Siddique)

**iv. Other : Enterprise over which KMP or relatives of KMP are able to exercise significance influence:**

Super Shoes Limited  
 Amin Colonizers & Developers Ltd  
 Super Tannery FZE  
 Banthar Industrial Pollution Control Company  
 Industrial Infrastructure Services (I) Ltd

**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 & Entities	
	2012-13	2011-12	2012-13	2011-12
Purchases of Materials/Finished Goods	NIL	NIL	NIL	2,44,023
Sale of Materials/Finished Goods	8,500,950	7,39,50,682	4,84,66,525	2,26,23,707
Services availed	NIL	NIL	10,67,357	8,00,452
Rent paid	3,60,000	3,60,000	NIL	NIL
<b>Balances at the end of the year:</b>				
Trade Receivables	6,92,07,043	10,63,93,652	3,36,04,581	3,98,51,150
Trade Payables	1,62,000	NIL	1,19,608	61,215
Loans & Advances	1,22,99,926	1,22,08,479	2,00,81,750	2,00,81,750
Investments	3,20,34,088	3,20,51,588	4,33,650	4,33,650

## SUPER TANNERY LIMITED

### Key Management Personnel and relatives:

Particulars	2012-13	2011-12
<b>Remuneration</b>		
Directors	89,80,553	89,97,833
Other Key Management Personnels	17,71,943	17,14,853
<b>Dividend Paid</b>		
Directors	18,05,342	18,05,192
Other Key Management Personnels	4,54,500	4,54,500

### Notes to financial statements for the year ended 31st March, 2013

(Rupees)

Particulars	2012-13	2011-12
<b>Purchase of Materials;</b>		
Super Shoes Limited	-	2,44,023
<b>Sale of Materials/Finished Goods;</b>		
Super Tannery (U.K.) Limited	85,00,950	7,39,50,682
Super Shoes Limited	3,99,91,377	1,48,22,182
Super Tannery FZE	84,75,148	78,01,525
<b>Services Availed</b>		
Banthar Industrial Pollution Control Company	9,34,222	6,29,241
Industrial Infrastructure Services (I) Ltd	1,33,135	1,71,211
<b>Rent Paid</b>		
Aarifi Tanners Limited	3,60,000	3,60,000
<b>Trade Recievables</b>		
Super Tannery (U.K.) Limited	6,90,35,318	10,48,77,277
Safety Solutions s.r.o	1,71,725	5,16,375
Super Shoes Limited	1,07,96,184	2,12,74,807
Super Tannery FZE	2,28,08,397	1,85,76,343
<b>Trade Payables</b>		
Aarifi Tanners Limited	1,62,000	-
Banthar Industrial Pollution Control Company	1,15,492	48,559
Industrial Infrastructure Services (I) Ltd	4,116	12,656
<b>Loans &amp; Advances</b>		
Super Tannery (U.K.) Limited	99,38,514	98,47,067
Safety Solutions s.r.o	23,61,412	23,61,412
Super Shoes Limited	2,00,81,750	2,00,81,750
<b>Investments</b>		
Aarifi Tanners Limited	1,64,23,500	1,64,23,500
Super Safetywears Limited	1,49,93,000	1,49,93,000
Super Tannery (U.K.) Limited	1,52,096	1,69,596
Safety Solutions s.r.o	4,65,492	4,65,492
Banthar Industrial Pollution Control Company	80,000	80,000
Industrial Infrastructure Services (I) Ltd	3,53,650	3,53,650

Notes to financial statements for the year ended 31st March, 2013

Payments made to Key Management Personnel and relatives:

(Rupees)		
Particulars	2012-13	2011-12
<b>Remuneration:</b>		
<b>Directors:</b>		
Mr. Iqbal Ahsan	26,45,540	26,57,600
Mr. Imran Siddiqui	4,09,028	4,15,688
Mr. Arshad Khan	2,95,155	2,99,295
Mr. Vequaril Amin	26,57,600	26,57,600
Mr. Iftikarul Amin	26,45,540	26,57,600
Mr. Mohd. Imran	3,27,690	3,10,050
<b>Other KMP:</b>		
Mr. Mubashirul Amin	8,15,725	7,90,100
Mr. Tanveerul Amin	8,15,725	7,90,100
Mr. Khalid Sayeed	1,40,493	1,34,653
<b>Dividend:</b>		
<b>Directors:</b>		
Mr. Iqbal Ahsan	4,57,125	4,57,125
Mr. Vequaril Amin	8,94,195	8,94,195
Mr. Iftikarul Amin	4,54,022	4,53,872
<b>Other KMP:</b>		
Mr. Mubashirul Amin	2,29,500	2,29,500
Mr. Tanveerul Amin	2,25,000	2,25,000

38. Capital and other commitments

( Rupees )

Particulars	2012-13	2011-12
i. Estimated value of contracts remaining to be executed on capital account (net of advances)	20,52,828	84,30,000
ii. Other Commitments	NIL	NIL

39. Contingent liabilities

( Rupees )

Particulars	Period	2012-13	2011-12
i. L C issued by the Bank		4,55,54,739	2,35,36,399
ii. Guarantee issued by the Bank		19,14,704	NIL
iii. The detail of disputed dues as per the clause ix (b) of Section 227 (4A) of the Act is as follows:			
<b>Income Tax:</b>			
CIT Appeals, Kanpur	A.Y. 2009-10	12,83,102	12,83,102
CIT Appeals, Kanpur	A.Y. 2010-11	63,98,520	NIL
CIT Appeals, Kanpur	A.Y. 2007-08	30,54,620	30,54,620
(Above claims are likely to be decided in favour of the company, hence not provided for)			

## SUPER TANNERY LIMITED

---

40. The Company's operation predominantly comprises only one segment i.e. Leather and Leather Products; hence provisions of AS-17 on Segment Reporting is not applicable.
41. In the absence of the Notification in the Official Gazette of the Central Government of India, the cess payable under Section 441A has not been paid / provided. The payment of cess shall be made in accordance with the Notification, as and when issued by the Central Government of India in its Official Gazette.
42. During the year under consideration no borrowing cost has been capitalized by the company in accordance with the provisions of AS-16 on Borrowing Costs.
43. The company has incurred in Research & Development expenses during the year, the same are immaterial and no future economic benefit will accrue, therefore no expenses have been capitalized.
44. **Disclosure in terms of AS-28**  
The management has carried out an exercise of identifying the assets that may have been impaired, during the year, in respect of each cash generating unit. On the basis of review carried out by the management, there was no impairment loss on fixed assets during the year.
45. **Disclosure in terms of AS-29**  
The company has recognised contingent liabilities as disclosed in Note 39 above and as such no provision is required to be made. No provision was outstanding as at the beginning and at the end of the year.
46. Confirmation of Balances with Sundry debtors, creditors, loans and advances and other parties have not been received in few cases.
47. Certain assets of erstwhile Super Agro-Tech Limited (SATL) acquired pursuant to the scheme of amalgamation sanctioned by Hon'ble High Court of Judicature at Allahabad, included in the books of the company remain under the name of SATL pending completion of the certain formalities. Further to aforesaid certain land at Banthar, Unnao though used for the business purposes of the company is lying registered in the name of one of the directors of the company.
48. Other Liabilities includes Rs. 2,93,10,000 being advance money received against sale of land at Dehradun.
49. The current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. The provisions for all known liabilities are adequate and not in excess of the amount considered reasonably necessary.
50. The figures of the previous year have been regrouped/rearranged wherever necessary in order to make them comparable with the figures of the current year. Figures have been rounded off to the nearest rupee. Figures in brackets pertain to previous year.

As per our report of even date  
For Kapoor Tandon & Co.,  
*Chartered Accountants*  
Firm Reg. No. 000952C  
(R.P. Gupta)  
*Partner*  
M.No. 070904

Place : Kanpur  
Dated : 29.05.2013

For and on behalf of the Board of Directors

Mohd. Imran  
*Director (Finance)*

Iqbal Ahsan  
*Joint Managing Director*

Iftikharul Amin  
*Managing Director*

R.K. Awasthi  
*Company Secretary*



---

---

---

# **CONSOLIDATED ACCOUNTS**

---

---

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Super Tannery Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Super Tannery Limited ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

---

---

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and 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 state of affairs of the Group as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

## Other Matters

1. In respect of financial statements of certain subsidiaries, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of other auditors. The details of assets and revenues in respect of the subsidiaries are given below.

Name of the Companies	Total assets	Total revenues
i. Super Tannery (U.K.) Limited	Rs. 5,14,98,380	Rs. 4,58,35,401
ii. Aarifi Tanners Limited	Rs.1,32,68,879	N I L
iii. Safety Solutions s.r.o.	Rs. 5,28,610	N I L

2. 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 financial statements of the Super Tannery Group included in the consolidated financial statements.

Our opinion is not qualified in respect of other matters.

Place: Kanpur  
Date : 29.05.2013

For Kapoor Tandon & Co.,  
Chartered Accountants  
Firm Reg. No. 000952C  
**R.P. Gupta**  
Partner  
Membership No. 070904

**SUPER TANNERY LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013**

	Note No.	As at 31.03.13 (Rupees)	As at 31.03.12 (Rupees)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	3	10,79,73,360	10,79,73,360
b) Reserves and Surplus	4	<u>48,00,12,479</u>	<u>43,69,24,859</u>
		<b>58,79,85,839</b>	<b>54,48,98,219</b>
<b>2. Minority Interest</b>			
		<b>23,21,386</b>	<b>22,68,934</b>
<b>3. Non Current Liabilities</b>			
a) Long Term Borrowings	5	8,58,99,407	2,00,00,000
b) Deferred Tax Liabilities (Net)	6	<u>7,64,41,654</u>	<u>6,54,63,000</u>
		<b>16,23,41,061</b>	<b>85,463,000</b>
<b>4. Current Liabilities</b>			
a) Short Term Borrowings	7	69,01,78,791	73,57,67,544
b) Trade Payables	8	44,02,31,737	27,41,87,111
c) Other Current Liabilities	9	21,14,26,107	15,51,59,837
d) Short Term Provisions	10	<u>1,51,73,210</u>	<u>2,71,27,787</u>
		<b>1,35,70,09,845</b>	<b>1,19,22,42,279</b>
<b>TOTAL</b>		<b><u>2,10,96,58,131</u></b>	<b><u>1,82,48,72,432</u></b>
<b>II. ASSETS :</b>			
<b>1. Non Current Assets</b>			
(a) Fixed Assets :			
(i) Tangible Assets:	11	63,34,28,548	60,38,67,736
(ii) Capital Work in Progress	11	<u>2,14,58,463</u>	<u>2,27,55,839</u>
(b) Non Current Investments	12	16,93,450	16,93,450
(c) Long Term Loans and Advances	13	2,30,53,633	2,30,53,633
(d) Other Non Current Assets	14	<u>3,08,803</u>	<u>3,00,385</u>
		<b>67,99,42,897</b>	<b>65,16,71,043</b>
<b>2. Current Assets</b>			
(a) Inventories	15	74,46,35,476	59,54,08,869
(b) Trade Receivables	16	48,30,46,033	40,75,66,896
(c) Cash and Bank Balances	17	3,35,76,664	2,53,42,440
(d) Short Term Loans and Advances	18	9,95,06,545	4,94,71,424
(e) Other Current Assets	19	<u>6,89,50,516</u>	<u>9,54,11,760</u>
		<b>1,42,97,15,234</b>	<b>1,17,32,01,389</b>
<b>TOTAL</b>		<b><u>2,10,96,58,131</u></b>	<b><u>1,82,48,72,432</u></b>
<b>Basis of Consolidation</b>	1		
<b>Significant Accounting Policies</b>	2		

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

As per our report of even date  
For Kapoor Tandon & Co.,  
Chartered Accountants  
Firm Reg. No. 000952C  
(R.P. Gupta)  
Partner  
M.No. 070904

Place : Kanpur  
Dated : 29.05.2013

For and on behalf of the Board of Directors

Mohd. Imran  
Director (Finance)

Iftikharul Amin  
Managing Director

Iqbal Ahsan  
Joint Managing Director

R.K. Awasthi  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

	<b>Note No.</b>	<b>As at 31.03.13 ( Rupees )</b>	<b>As at 31.03.12 ( Rupees )</b>
<b>REVENUE</b>			
Revenue from operations (gross)	20	2,60,69,13,132	2,51,63,00,610
Less : Excise Duty		<u>35,51,703</u>	<u>3,06,290</u>
Revenue from operations (net)		2,60,33,61,429	2,51,59,94,320
Other Income	21	<u>1,01,46,932</u>	<u>37,27,083</u>
<b>Total Revenue</b>		<u><u>2,61,35,08,361</u></u>	<u><u>2,51,97,21,403</u></u>
<b>EXPENSES</b>			
Cost of Material consumed	22	1,83,99,82,121	1,77,78,17,137
Purchase of Stock-in-trade	23	19,43,52,782	10,56,23,095
(Increase)/decrease in Inventories of Finished Goods, Work-in-Process and Traded Goods	24	(3,21,82,550)	6,14,04,809
Employee Benefits Expense	25	6,13,27,894	6,30,97,543
Finance Costs	26	9,24,44,823	9,43,59,531
Depreciation and Amortisation	27	3,97,26,888	3,66,35,034
Other Expenses	28	3,326,83,488	31,24,41,669
<b>Total Expenses</b>		<u><u>2,52,83,35,446</u></u>	<u><u>2,45,13,78,818</u></u>
<b>Profit Before Tax</b>		8,51,72,915	6,83,42,585
<b>Tax Expenses</b>			
- Current Tax		2,20,00,000	2,42,00,000
- Deferred Tax		1,08,69,944	82,55,282
- Tax adjustments relating to earlier years		26,68,487	34,63,874
<b>Profit for the year</b>		4,96,34,484	3,24,23,429
<b>Earning per Equity Share (EPS)</b>	29		
(Face value of Re. 1 each)			
EPS - Basic (Rupees per Share)		0.46	0.30
EPS - Diluted (Rupees per Share)		0.46	0.30
<b>Basis of Consolidation</b>	1		
<b>Significant Accounting Policies</b>	2		

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

As per our report of even date  
For Kapoor Tandon & Co.,  
*Chartered Accountants*  
Firm Reg. No. 000952C  
(R.P. Gupta)  
*Partner*  
M.No. 070904

Place : Kanpur  
Dated : 29.05.2013

For and on behalf of the Board of Directors

Mohd. Imran  
*Director (Finance)*

Iftikharul Amin  
*Managing Director*

Iqbal Ahsan  
*Joint Managing Director*

R.K. Awasthi  
*Company Secretary*

**SUPER TANNERY LIMITED****CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	As at 31.03.13 ( Rupees )	As at 31.03.12 ( Rupees )
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX</b>	8,51,72,915	6,83,42,585
Adjustment for :		
Depreciation	3,97,26,888	3,66,35,034
Interest- Paid	8,41,82,794	8,81,62,693
Interest- Earned	(8,26,961)	(7,71,516)
Gratuity Payable	(29,93,359)	12,89,916
Bad Debts written off	41,08,601	39,28,691
Exchange Fluctuation	(89,69,645)	(2,47,68,639)
Fixed Assets - Loss on sale	43,45,310	11,94,405
Fixed Assets - Profit on sale	(49,26,142)	(2,50,000)
Preliminary Expenses	-	(5,369)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	19,98,20,401	17,37,57,800
ADJUSTMENTS FOR :		
Trade and Other receivables	(9,41,91,970)	2,67,82,386
Inventories	(14,92,26,606)	11,00,89,515
Trade and Other Payables	20,16,03,072	(15,33,78,648)
<b>CASH GENERATED FROM OPERATIONS</b>	15,80,04,897	15,72,51,053
Interest Paid (Net)	(7,55,86,305)	(8,37,36,177)
Income Tax Paid (net of Refunds)	(3,37,19,599)	(2,47,69,938)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	4,86,98,993	4,87,44,938
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets(including CWIP)	(7,47,66,755)	(5,29,66,391)
Sale of Fixed Assets	73,19,345	19,96,499
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(6,74,47,410)	(5,09,69,892)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Working Capital	(5,19,34,378)	(6,98,57,198)
Corporate Loan (Net)	7,94,56,135	4,05,43,865
Foreign Currency Loan	60,42,482	53,51,375
Term Loan	76,92,272	-
Interest paid	(77,69,528)	(36,55,000)
Dividend paid	(65,04,342)	(61,44,435)
<b>NET CASH FLOW USED IN FINANCING ACTIVITIES</b>	2,69,82,641	(3,37,61,393)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	82,34,224	(3,59,86,346)
<b>OPENING CASH AND CASH EQUIVALENTS</b>	2,53,42,440	6,13,28,786
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	3,35,76,664	2,53,42,440

<b>Basis of Consolidation</b>	1
<b>Significant Accounting Policies</b>	2

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

As per our report of even date  
For Kapoor Tandon & Co.,  
Chartered Accountants  
Firm Reg. No. 000952C  
(R.P. Gupta)  
Partner  
M.No. 070904

For and on behalf of the Board of Directors

Mohd. Imran  
Director (Finance)

Iftikharul Amin  
Managing Director

Place : Kanpur  
Dated : 29.05.2013

Iqbal Ahsan  
Joint Managing Director

R.K. Awasthi  
Company Secretary

---

---

## Notes to Consolidated financial statements for the year ended 31st March, 2013

### 1. BASIS OF CONSOLIDATION

- 1.1 The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as of the company i.e. year ended 31st March, 2013.
- 1.2 The Consolidated financial statements have been prepared in accordance with the Accounting Standard-21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- 1.3 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 & expenses. The intragroup balances and transactions are eliminated except unrealized profit or loss on closing stock. The subsidiaries have been treated as non integral to the business of the company.
- 1.4 In the case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities (except Share capital) are converted at the rates prevailing at the end of the year.
- 1.5 Exchange difference arising on consolidation is recognized in the Profit & Loss account.
- 1.6 Investments in 100% Foreign subsidiaries have been eliminated with the corresponding Share Capital of the subsidiary company.
- 1.7 Minority interest in the net assets of the consolidated financial statements consists of amount of equity attributable to the minority members of the subsidiaries.
- 1.8 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 statement.
- 1.9 The subsidiaries (which along with Super Tannery Limited, the parent, constitute the group) considered in the preparation of these consolidated financial statements

Name of Subsidiary	Country of Incorporation	Percentage of Ownership/ Interest as at 31st March, 2013
1. Super Safetywears Limited	India	99.95%
2. Super Tannery (U.K.) Limited	United Kingdom	100.00%
3. Aarifi Tanners Limited	India	82.52%
4. Safety Solutions s.r.o.	Slovak Republic	100.00%

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention, except for certain fixed assets which were revalued, on accrual basis of accounting in accordance with the applicable Accounting Standards as prescribed by the Companies (Accounting Standard) Rules, 2006 (AS), Generally Accepted Accounting Principles (GAAP) in India and the relevant provisions of the Companies Act, 1956 (the Act).

**2.2 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.

**2.3 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.

**2.4 Depreciation**

- i) Depreciation on fixed assets excepting leased hold land and intangible assets is provided as under.
  - a) Assets acquired and put to use on or upto 31st March, 1992, is provided on Written Down Value Method as per Schedule XIV to the Companies Act, 1956
  - b) Assets acquired and put to use on or after 1st April 1992, is provided on Straight Line Method as per Schedule XIV to the Companies Act, 1956 and
  - c) Amount attributable to appreciation due to revaluation, is provided on Straight Line Method as per Schedule XIV to the Companies Act, 1956 and equivalent amount is withdrawn from Revaluation Reserve
- ii) Cost of lease land is amortized over the period of lease. Intangible assets are written off over a period of ten years under the straight line method of amortization.

**2.5 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 the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to the recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.



---

---

## **2.6 Capital work in progress**

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

## **2.7 Investments**

Long term investments (non current) are carried at cost and provision, if necessary, being made for decline other than temporary in their value. Current investments are carried at lower of cost and market fair value.

## **2.8 Inventories**

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

## **2.9 Provisions, Contingent Liabilities and Contingent Assets**

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

## **2.10 Revenue Recognition**

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

## **2.11 Retirement Benefits**

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

## **2.12 Foreign Currency Translations**

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

---

---

**SUPER TANNERY LIMITED**

iii) Investments in wholly owned subsidiaries are carried in Balance sheet at the rates prevailing on the dates of transactions.

**2.13 Intangible Assets**

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

**2.14 Earning Per Share**

Earning per share is calculated in accordance with the procedure laid out in the relevant Accounting Standard (AS) 20 issued by the institute of Chartered Accountants of India.

**2.15 Excise Duty**

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

**2.16 Borrowing Cost**

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

**2.17 Taxation**

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

**2.18 Prior Period Items**

Prior period items, if material, are disclosed separately.

**2.19 Cash Flow Statement**

Cash flow statement is prepared in accordance with the "Indirect Method" prescribed in accounting standard -3 on cash flow statement.

## Notes to Consolidated financial statements for the year ended 31st March, 2013

	As at 31.03.13 ( Rupees )	As at 31.03.12 ( Rupees )
<b>3. SHARE CAPITAL</b>		
<b>Authorised</b>		
11,00,00,000 Equity Shares of Re. 1/- each	1,00,00,000	11,00,00,000
<b>Issued, Subscribed and fully paid up</b>		
10,79,73,360 Equity Shares of Re. 1/- each fully paid up	<u>10,79,73,360</u>	<u>10,79,73,360</u>
<b>Total</b>	<u>10,79,73,360</u>	<u>10,79,73,360</u>

### 3.1 Reconciliation of the shares outstanding at the beginning and at the end of the year:

Equity shares	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	(Rupees)	No. of Shares	(Rupees)
At the beginning of the year	10,79,73,360	10,79,73,360	10,79,73,360	10,79,73,360
Changes during the year	-	-	-	-
Outstanding at the end of the year	<u>10,79,73,360</u>	<u>10,79,73,360</u>	<u>10,79,73,360</u>	<u>10,79,73,360</u>

### 3.2 Term/rights attached to equity shares

The company has only one class of equity shares having a par value of Re. 1/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

Bonus Shares issued during preceding five F.Y.	No. of Shares
Financial Year 2008-09	1,79,95,560 (Equity Share of Rs. 2/- each fully paid-up- Ratio 1:1)
Financial Year 2009-10	1,79,95,560 (Equity Share of Rs. 2/- each fully paid-up- Ratio 1:2)

### 3.4 Face Value of Equity Shares - sub division / split in preceding five years:

At the annual general meeting held on 30th September, 2010, the members of company have approved a stock split i.e. sub-division each equity share of the company of the face value of Rs. 2/- each, as existing on Record Date, shall stand sub-divided into two equity shares of face value of Re. 1/- each fully paid up, and consequently the Authorized and Paid up Equity Share Capital of the company be changed accordingly.

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

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

Name of the Share Holder	As at 31st March 2013		As at 31st March 2012	
	No. of Shares	% held	No. of Shares	% held
1) Veqarul Amin	1,78,83,900	16.56%	1,78,83,900	16.56%
2) Iqbal Ahsan	91,42,502	8.47%	91,42,502	8.47%
3) Iftikharul Amin	90,80,432	8.41%	90,77,432	8.41%

**SUPER TANNERY LIMITED****Notes to Consolidated financial statements for the year ended 31st March, 2013**

	As at 31.03.13 ( Rupees )	As at 31.03.12 (Rupees)
<b>4. RESERVES AND SURPLUS</b>		
<b>Capital Reserves</b>		
Balance as per last Balance Sheet	17,67,180	17,67,180
<b>Capital Subsidy under Tannery Modernisation Scheme</b>		
Balance as per last Balance Sheet	1,35,00,256	1,35,00,256
<b>Securities Premium Reserve</b>		
Balance as per last Balance Sheet	2,70,17,760	2,70,17,760
<b>Revaluation Reserve</b>		
Balance as per last Balance Sheet	1,99,21,104	2,01,67,447
Less: Amount transferred to the Statement of profit and loss as reduction from depreciation	<u>2,19,945</u>	<u>2,46,343</u>
	1,97,01,159	1,99,21,104
<b>General Reserves</b>		
Balance as per last Balance Sheet	40,00,00,000	37,00,00,000
Add : From the Statement of Profit and Loss	<u>4,00,00,000</u>	<u>3,00,00,000</u>
	44,00,00,000	40,00,00,000
<b>Surplus in the Statement of profit and loss</b>		
Balance as per last Balance Sheet	(2,52,81,441)	(2,15,17,997)
Profit for the year	<u>4,96,34,484</u>	<u>3,24,23,429</u>
	2,43,53,043	1,09,05,432
Less: Appropriations		
Proposed dividend on equity share [Re. 0.05 per Equity Share (Re. 0.05 per Equity Share)]	53,98,668	53,98,668
Dividend Distribution Tax	8,75,799	8,75,799
Transfer to General Reserve	4,00,00,000	3,00,00,000
Share of minority tfd. to Minority Interest account	<u>52,452</u>	<u>(87,594)</u>
	(2,19,73,876)	(2,52,81,441)
<b>TOTAL</b>	<u><u>48,00,12,479</u></u>	<u><u>43,69,24,859</u></u>
<b>5. LONG TERM BORROWINGS</b>		
<b>Secured</b>		
<b>Term loans</b>		
<b>Rupee Loans</b>		
Corporate Loan from State Bank of India	8,00,00,000	2,00,00,000
Vehicle Loan		
Kotak Mahindra Prime Ltd.	2,47,231	-
Kotak Mahindra Bank Ltd.	5,02,146	-
HDFC BANK	16,76,442	-
State bank of India	<u>34,73,588</u>	<u>-</u>
	58,99,407	-
<b>TOTAL</b>	<u><u>8,58,99,407</u></u>	<u><u>2,00,00,000</u></u>

5.1 Corporate loan (INR) from bank carries interest @ 13.70% p.a. The loan is repayable in 10 regular installments as under:-

- a) First 2 quarterly installments of Re. 0.25 crore. (From 30.06.2013 to 30.09.2013)
- b) Next 1 quarterly installment of Re. 0.50 crore. (On 31.12.2013)
- c) Next 5 installment of Rs. 1 crore. On (From 31.03.2014 to 31.03.2015)
- d) Last 2 installment of Rs 2 crore. (on 30.06.2015 and 30.09.2015)

5.2 Vehicles Loans are repayable in equated monthly instalments ranging from 36 to 83 EMIs.

5.3 The corporate loan is secured by first charge over entire fixed assets (both present and future, except vehicles financed by other Banks/FIs) of the Company, extension of charge on current assets of the Company, corporate guarantee of a subsidiary Aarifi Tanners Limited. Loans are secured further by personal guarantee of promoter director(s).

5.4 Vehicle loans are secured by hypothecation of vehicle financed.

	As at 31.03.13	As at 31.03.12
<b>6. DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liability</b>		
<i>on account of</i>		
Depreciation	7,73,10,362	6,95,63,000
<b>Gross deferred tax liability</b>	<u>7,73,10,362</u>	<u>6,95,63,000</u>
<b>Deferred Tax Assets</b>		
<i>on account of</i>		
Expenses covered u/s 43B	8,68,708	41,00,000
<b>Gross deferred tax assets</b>	<u>8,68,708</u>	<u>41,00,000</u>
<b>Net Deferred Tax Liability @</b>	<u><u>7,64,41,654</u></u>	<u><u>6,54,63,000</u></u>

@ Deferred tax asset has been recognized and carried to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets are realised. Deferred Tax Assets and Deferred Tax Liabilities have been set off in accordance with clause 29 of AS - 22.

## 7. SHORT TERM BORROWING

### Secured

#### Working Capital Loans

#### Rupee Loan

from State Bank of India

a) Cash Credit	4,25,00,384	1,53,40,666
b) Packing Credit	51,01,04,817	61,04,25,083
c) Advance against bills sent on collection	<u>12,61,79,733</u>	<u>67,87,84,934</u>
	67,87,84,934	10,49,53,563
		73,07,19,312

#### Foreign Currency Loan

from State Bank of India

a) Buyers Credit	1,13,93,857	50,48,232
<b>TOTAL</b>	<u><u>69,01,78,791</u></u>	<u><u>73,57,67,544</u></u>

7.1 Working Capital Loan from State Bank of India is secured by hypothecation of Inventories & Book Debts, extension of charge on entire fixed assets (both present & future) of the Company and corporate guarantee of a subsidiary Aarifi Tanners Limited. Loans are secured further by personal guarantee of promoter director(s).

**SUPER TANNERY LIMITED****Notes to Consolidated financial statements for the year ended 31st March, 2013**

	As at 31.03.13	As at 31.03.12
<b>8. TRADE PAYABLES</b>		
Sundry Creditors	44,02,31,737	27,41,87,111
<b>TOTAL</b>	<b>44,02,31,737</b>	<b>27,41,87,111</b>
<b>8.1</b> The company has requested confirmation from Suppliers regarding their registration (filling of Memorandum) under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). According to the information available with the company there was no amount (principal and/or interest) due to any micro/small enterprises (SME as defined in the Act) as at the end of the year. There is no delay in payment to SME during the year. No interest was paid/payable on account of delay in payment to SME during the year in terms of Section 16 of the Act.		
<b>9. OTHER CURRENT LIABILITIES</b>		
Current maturity of long term borrowings	4,17,92,864	2,00,00,000
Interest accrued but not due on borrowings	2,69,853	3,03,143
Interest accrued and due on borrowings	-	5,43,865
Book overdraft with banks	4,11,06,342	1,20,31,760
Security Deposit	29,500	5,80,643
Advance from Customers	2,46,88,284	1,58,25,675
Unpaid dividend (refer Note 9.1)	14,89,863	17,19,738
Other Liabilities	10,20,49,401	10,41,55,013
<b>TOTAL</b>	<b>21,14,26,107</b>	<b>15,51,59,837</b>
<b>9.1</b> There are no amounts due for payment to Investor Education & Protection Fund under Section 205C of the Act as at the year end.		
<b>10. SHORT TERM PROVISIONS</b>		
Provision for Tax	2,20,00,000	2,42,00,000
Less: Advance Tax	2,28,18,956	(8,18,956) 1,60,57,738
Provision for Gratuity	97,17,699	1,27,11,058
Proposed Final Dividend	53,98,668	53,98,668
Provision for Dividend Distribution Tax	8,75,799	8,75,799
<b>TOTAL</b>	<b>1,51,73,210</b>	<b>2,71,27,787</b>
<b>12. NON CURRENT INVESTMENTS</b> (Long Term Investments)		
<b>Non Trade (valued at cost unless stated otherwise)</b>		
<b>EQUITY SHARES - UNQUOTED</b>		
Superhouse Overseas Limited		
5,000 Equity Shares of Rs. 10/- each fully paid up	50,000	50,000
Al-Barr Finance House limited		
30,000 Equity Shares of Rs. 10/- each fully paid up	3,00,000	3,00,000
Svit Pronext Machines Private Limited		
8,500 Equity Shares of Rs. 10/- each fully paid up	85,000	85,000
Industrial Infrastructure Services (India) Limited		
52,645 Equity Shares of Rs. 10/- each fully paid up	5,26,450	5,26,450
Kanpur Unnao leather Cluster Development Co, Ltd		
60,000 Equity Shares of Rs. 10/- each fully paid up	6,00,000	6,00,000
Banthal Industrial Pollution Control Company		
8,000 Equity Shares of Rs. 10/- each fully paid up	80,000	80,000
	16,41,450	16,41,450
<b>Total (A)</b>	<b>16,41,450</b>	<b>16,41,450</b>

## Notes to Consolidated financial statements for the year ended 31st March, 2013

	As at 31.03.13	As at 31.03.12
<b>Non Trade (valued at cost unless stated otherwise)</b>		
<b>EQUITY SHARES - QUOTED</b>		
Superhouse Limited 5,200 Equity Shares of Rs. 10/- each fully paid.	52,000	52,000
<b>Total (B)</b>	<u>52,000</u>	<u>52,000</u>
<b>TOTAL (A+B)</b>	<u>16,93,450</u>	<u>16,93,450</u>
<b>Book value of Quoted Investments (Net of Provisions)</b>	52,000	52,000
<b>Book value of Unquoted Investments</b>	16,41,450	16,41,450
<b>Market value of Quoted Investments</b>	2,48,560	2,50,900
<b>13. LONG TERM LOANS &amp; ADVANCES</b>		
(unsecured considered good)		
Loan to Related Party		
- Super Shoes Ltd.	2,00,81,750	2,00,81,750
Security Deposits	29,71,883	29,71,883
<b>TOTAL</b>	<u>2,30,53,633</u>	<u>2,30,53,633</u>
<b>14. OTHER NON CURRENT ASSETS</b>		
Miscellaneous Expenditure (to the extent not written off or adjusted)		
- Preliminary Expenses	3,08,803	3,00,385
<b>TOTAL</b>	<u>3,08,803</u>	<u>3,00,385</u>
<b>15. INVENTORIES</b>		
(valued at lower of cost and net realisable value)		
Raw Materials	18,25,21,410	8,18,08,310
Work in Progress (refer Note 30)	22,83,75,539	24,81,53,587
Finished Goods (refer Note 31)	18,12,71,865	14,54,81,919
Stock of Waste & Scrap	3,25,35,629	1,63,64,977
Chemicals, Components and Spare Parts	11,99,31,033	10,36,00,076
<b>TOTAL</b>	<u>74,46,35,476</u>	<u>59,54,08,869</u>
*Finished Goods include Stock in Trade, as both are stocked together		
<b>16. TRADE RECEIVABLES</b>		
(Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	12,95,52,575	5,51,91,761
Considered Doubtful	21,99,490	21,99,490
Less: Provision for Doubtful Receivables	<u>21,99,490</u>	<u>21,99,490</u>
Others		
Considered Good	35,34,93,458	35,23,75,135
<b>TOTAL</b>	<u>48,30,46,033</u>	<u>40,75,66,896</u>

**SUPER TANNERY LIMITED****Notes to Consolidated financial statements for the year ended 31st March, 2013**

	As at 31.03.13	As at 31.03.12
<b>17. CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Cash in Hand (as Certified by the Management)	39,07,677	18,58,138
Cheques in hand/Remittance in Transit	53,06,247	11,97,180
<b>Balances with Scheduled Banks in:</b>		
- Current Accounts	1,60,93,441	81,44,259
- Foreign Currency Account (EEFCA/C)	3,90,512	4,10,573
	<u>2,56,97,877</u>	1,16,10,150
<b>Other bank balances</b>		
Margin Money Deposit Accounts	63,88,924	1,20,12,552
Unpaid Dividend Account	14,89,863	17,19,738
	<u>78,78,787</u>	1,37,32,290
<b>TOTAL</b>	<u><u>3,35,76,664</u></u>	<u><u>2,53,42,440</u></u>
<b>18. SHORT TERM LOANS &amp; ADVANCES</b> (Unsecured considered good)		
Advance recoverable in cash or kind or for value to be received	9,95,06,545	4,94,71,424
<b>TOTAL</b>	<u><u>9,95,06,545</u></u>	<u><u>4,94,71,424</u></u>
<b>19. OTHER CURRENT ASSETS</b> (Unsecured considered good)		
Export Incentive Receivable	3,53,50,527	2,16,80,301
Other Current assets	3,34,61,834	7,35,93,304
Assets held for Sales	1,38,155	1,38,155
<b>TOTAL</b>	<u><u>6,89,50,516</u></u>	<u><u>9,54,11,760</u></u>
<b>20. REVENUE FROM OPERATIONS</b>		
<b>Revenue from operations</b>		
Sale of Leather & Leather Products		
- Sales (Export)	1,72,26,67,734	1,74,38,30,836
- Sales (Others)	40,99,55,086	35,64,88,669
- Exchange Fluctuation	89,69,645	2,47,68,639
	<u>2,14,15,92,465</u>	2,12,50,88,144
Inter Division Transfer (As per contra note 22)	32,92,05,237	22,89,36,142
Export Incentives (refer Note 20.1)	13,61,15,430	16,22,76,324
<b>Revenue from operations (gross)</b>	<u>2,60,69,13,132</u>	2,51,63,00,610
Less: Excise duty	35,51,703	3,06,290
<b>Revenue from operations (net)</b>	<u><u>2,60,33,61,429</u></u>	<u><u>2,51,59,94,320</u></u>
<b>20.1 Details of Export Incentives</b>		
Duty Draw Back	6,67,38,478	5,77,89,720
Other Export Incentives / licences	6,93,76,952	10,44,86,604
<b>TOTAL</b>	<u><u>13,61,15,430</u></u>	<u><u>16,22,76,324</u></u>



## Notes to Consolidated financial statements for the year ended 31st March, 2013

	As at 31.03.13	As at 31.03.12
<b>21. OTHER INCOME</b>		
Interest from Fixed Deposit with Banks	8,26,961	7,71,516
Profit on Sale of Fixed Assets	49,26,142	2,50,000
Excess Provisio written back	31,78,895	-
Miscellaneous Income	12,14,934	26,38,461
Commission Received	-	67,106
<b>TOTAL</b>	<b><u>1,01,46,932</u></b>	<b><u>37,27,083</u></b>
<b>22. DETAIL OF MATERIAL CONSUMED</b>		
Raw Material consumed		
Opening Stock	8,18,08,310	13,53,43,755
Add: Purchase	93,55,646	1,01,47,26,933
Inter Division Transfers (as per contra note 20)	1,41,08,04,229	23,93,39,760
	<u>1,50,19,68,185</u>	<u>1,38,94,10,448</u>
Less: Closing Stock	18,25,21,410	8,18,08,310
Raw Material consumed	1,31,94,46,775	1,30,76,02,138
Chemicals consumed	41,84,87,660	36,51,82,147
Stores & Spares consumed	10,20,47,686	10,50,32,852
<b>Cost of material consumed</b>	<b><u>1,83,99,82,121</u></b>	<b><u>1,77,78,17,137</u></b>
<b>23. PURCHASE OF STOCK-IN-TRADE</b>		
Finished Goods	12,06,01,403	10,06,56,015
Trading Items	7,37,51,379	49,67,080
<b>TOTAL</b>	<b><u>19,43,52,782</u></b>	<b><u>10,56,23,095</u></b>
<b>24. DECREASE/(INCREASE) IN INVENTORIES</b>		
<b>Inventories at the begining of the year</b>		
Finished Goods	14,54,81,919	21,69,76,991
Stock of Waste & Scrap	1,63,64,977	27,67,030
Work in Progress	24,81,53,587	25,16,61,271
<b>TOTAL 'A'</b>	<b><u>41,00,00,483</u></b>	<b><u>47,14,05,292</u></b>
<b>Inventories at the end of the year</b>		
Finished Goods	18,12,71,865	14,54,81,919
Stock of Waste & Scrap	3,25,35,629	1,63,64,977
Work in Progress	22,83,75,539	24,81,53,587
<b>TOTAL 'A'</b>	<b><u>44,21,83,033</u></b>	<b><u>41,00,00,483</u></b>
<b>Decrease/(Increase) in Stocks (A-B)</b>	<b><u>(3,21,82,550)</u></b>	<b><u>6,14,04,809</u></b>

**SUPER TANNERY LIMITED**

Notes to Consolidated financial statements for the year ended 31st March, 2013

	As at 31.03.13 ( Rupees )	As at 31.03.12 (Rupees)
<b>25. EMPLOYEE BENEFITS EXPENSES</b>		
Salary, Wages and Bonus	3,78,33,478	3,99,11,828
Directors Remuneration	89,80,553	89,97,833
Contribution to Provident and other funds	1,04,84,514	1,02,21,274
Workmen and Staff Welfare expenses	40,29,349	39,66,608
<b>TOTAL</b>	<b>6,13,27,894</b>	<b>6,30,97,543</b>
<b>26. FINANCE COSTS</b>		
Interest on		
-Term Loan	77,69,528	36,55,000
-Others	7,64,13,266	8,45,07,693
	8,41,82,794	8,81,62,693
Bank Charges	67,67,710	49,97,214
Foreign Bank Charges	14,94,319	11,99,624
<b>TOTAL</b>	<b>9,24,44,823</b>	<b>9,43,59,531</b>
<b>27. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of tangible assets	3,99,46,833	3,68,81,377
Less: recoupment from revaluation reserve	2,19,945	2,46,343
<b>TOTAL</b>	<b>3,97,26,888</b>	<b>3,66,35,034</b>
<b>28. OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Wages & Bonus (including Job Charges)	8,33,45,313	7,50,41,273
Power and Fuel	6,39,90,880	5,53,53,255
Pollution Control Expenses	25,58,344	22,40,369
Repairs and Maintenance		
-Building	19,24,382	11,65,508
-Machinery	67,28,896	58,54,134
	15,85,47,815	13,96,54,539
<b>Selling and Distribution Expenses</b>		
Rebate & Discount	10,79,200	-
Packing & Forwarding	2,62,69,946	2,20,35,195
Freight & Cartage	5,59,28,982	6,20,82,469
Commission on Sale	1,84,55,373	1,58,57,724
Advertisement and Publicity	4,39,985	4,69,620
Bad Debts - Provision/write off	41,08,601	39,28,691
	10,62,82,087	10,43,73,699
<b>Establishment Expenses</b>		
Rent	18,53,583	21,47,993
Rates and Taxes	61,12,327	84,19,859
Insurance	32,91,763	24,92,309
E.C.G.C. Premium	53,98,250	53,61,800
Communication cost	45,15,457	41,04,051
Travelling and Conveyance	2,12,56,964	1,85,75,598
Repairs and Maintenance - Others	61,74,451	59,67,035
Printing and Stationery	13,71,056	12,76,007
Legal and Professional Charges	15,13,837	27,54,642
Auditor's Remuneration (refer Note 28.1)	7,88,874	9,33,600
Miscellaneous Expenses	79,58,398	1,23,97,092
Research & Development Expenses	1,33,994	1,40,469
Subscription and Donation	29,96,065	24,11,502
Loss on Sale of Fixed Assets	43,45,310	11,94,405
Social Security	1,43,257	2,37,069
	6,78,53,586	6,84,13,431
<b>TOTAL</b>	<b>33,26,83,488</b>	<b>31,24,41,669</b>

Notes to Consolidated financial statements for the year ended 31st March, 2013

	As at 31.03.13 ( Rupees )	As at 31.03.12 (Rupees)
<b>28.1 Payment to auditor</b>		
<b>As Auditor:</b>		
Audit Fees (including Tax Audit)	6,11,371	6,47,385
<b>In other capacity:</b>		
Taxation & other services	1,77,503	2,86,215
<b>TOTAL</b>	<u>7,88,874</u>	<u>9,33,600</u>
<b>29. Earning per share (EPS)</b>		
Profit for the year	4,96,34,484	3,24,23,429
Weighted average number of equity shares for the purpose of calculation of Basic and Diluted EPS	10,79,73,360	10,79,73,360
Nominal value of equity shares (Rs.)	1.00	1.00
EPS- Basic and diluted (Rs.)	0.46	0.30
<b>30. Closing Inventory of Work-in-Progress</b>		
Leather and Leather Products	22,83,75,539	24,81,53,587
<b>TOTAL</b>	<u>22,83,75,539</u>	<u>24,81,53,587</u>
<b>31. Closing Inventory of Finished Goods</b>		
Leather and Leather Products	18,12,71,865	14,54,81,919
<b>TOTAL</b>	<u>18,12,71,865</u>	<u>14,54,81,919</u>
<b>32. The related party disclosure in accordance with AS 18 'Related Party Disclosures' issued by ICAI, is given below:</b>		
<b>A. Relationship</b>		
<b>i. Joint Ventures, Associates &amp; Entities:</b>		
<b>Joint Venture: Nil</b>		
<b>Associates &amp; Entities: Nil</b>		
<b>ii. Key Management Personnel (KMP) &amp; Relatives:</b>		
Mr. Iftikharul Amin (Managing Director)		
Mr. Iqbal Ahsan (Joint Managing Director)		
Mr. Veqarul Amin (Joint Managing Director)		
Mr. Imran Siddiqui (Whole-time Director)		
Mr. Arshad Khan (Whole-time Director)		
Mr. Mohd. Imran (Whole-time Director)		
Mr. Mubasherul Amin (Son of Mr. Iqbal Ahsan)		
Mr. Tanveerul Amin (Son of Mr. Iftikharul Amin)		
Mr. Khalid Sayeed (Brother of Mr. Imran Siddiqui)		
<b>iii. Others: Enterprise over which KMP or relatives of KMP are able to exercise significance influence:</b>		
Super Shoes Limited		
Amin Colonizers & Developers Ltd.		
Super Tannery FZE, Banthar		
Industrial Pollution Control Company		
Industrial Infrastructure Services (I)		
Amin Tannery Ltd.		
Jajmau Tanneries Environmental Protection Association		

## SUPER TANNERY LIMITED

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

( Rupees )

Particulars	Others	
	2012-13	2011-12
Purchases of Materials/Finished Goods	NIL	2,44,023
Sale of Materials/Finished Goods	4,84,66,525	2,26,23,707
Services availed	10,67,357	8,00,452
<b>Balances at the end of the year:</b>		
Trade Receivables	3,36,04,581	3,98,51,150
Trade Payables	1,19,608	61,215
Loans & Advances	2,00,81,750	2,00,81,750
Investments	4,33,650	4,33,650

### Notes to Consolidated financial statements for the year ended 31st March 2013

As at  
31.03.13  
( Rupees )

As at  
31.03.12  
( Rupees )

#### Key Management Personnel and relatives:( Rupees )

Particulars	2012-13	2011-12
<b>Remuneration</b>		
- Directors	89,80,553	89,97,833
- Other Key Management Personnels	17,71,943	17,14,853
<b>Dividend paid</b>		
- Directors	18,05,342	18,05,192
- Other Key Management Personnels	4,54,500	4,54,500

( Rupees )

Particulars	2012-13	2011-12
<b>Purchase of Materials;</b>		
Super Shoes Limited	-	2,44,023
<b>Sale of Materials/Finished Goods;</b>		
Super Shoes Limited	3,99,91,377	1,48,22,182
Super Tannery FZE	84,75,148	78,01,525
<b>Services Availed</b>		
Banthar Industrial Pollution Control Company	9,34,222	6,29,241
Industrial Infrastructure Services (I) Ltd	1,33,135	1,71,211
<b>Trade Recievables</b>		
Super Shoes Limited	1,07,96,184	2,12,74,807
Super Tannery FZE	2,28,08,397	1,85,76,343
Banthar Industrial Pollution Control Company	1,15,492	48,559
Industrial Infrastructure Services (I) Ltd	4,116	12,656
<b>Loans &amp; Advances</b>		
Super Shoes Limited	2,00,81,750	2,00,81,750
<b>Investments</b>		
Banthar Industrial Pollution Control Company	80,000	80,000
Industrial Infrastructure Services (I) Ltd	3,53,650	3,53,650

Notes to Consolidated financial statements for the year ended 31st March, 2013

As at  
31.03.13  
( Rupees )

As at  
31.03.12  
(Rupees)

Payments made to Key Management Personnel and relatives:

Particulars	2012-13	2011-12
<b>Remuneration:</b>		
<b>Directors:</b>		
Mr. Iqbal Ahsan	26,45,540	26,57,600
Mr. Imran Siddiqui	4,09,028	4,15,688
Mr. Arshad Khan	2,95,155	2,99,295
Mr. Vequaril Amin	26,57,600	26,57,600
Mr. Iftikarul Amin	26,45,540	26,57,600
Mr. Mohd. Imran	3,27,690	3,10,050
<b>Other KMPs:</b>		
Mr. Mubashirul Amin	8,15,725	7,90,100
Mr. Tanveerul Amin	8,15,725	7,90,100
Mr. Khalid Sayeed	1,40,493	1,34,653
<b>Dividend</b>		
<b>Directors:</b>		
Mr. Iqbal Ahsan	4,57,125	4,57,125
Mr. Vequaril Amin	8,94,195	8,94,195
Mr. Iftikarul Amin	4,54,022	4,53,872
<b>Other KMPs:</b>		
Mr. Mubashirul Amin	2,29,500	2,29,500
Mr. Tanveerul Amin	2,25,000	2,25,000

33. Capital and other commitments( Rupees )

Particulars	2012-13	2011-12
i. Estimated value of contracts remaining to be executed on capital account (net of advances)	20,52,828	82,804
ii. Other Commitments	NIL	NIL

34. Contingent liabilities

Particulars	2012-13	2011-12
Contingent Liabilities in respect of:		
i. L C issued by the Bank	4,55,54,739	2,35,36,399
ii. Guarantees issued by the Bank	19,14,704	NIL

35. The group's operation predominantly comprises only one segment i.e. leather and leather Products, therefore, Segment Reporting as per Accounting Standard (AS-17) issued by the Institute of Chartered Accountants of India is not applicable.

## SUPER TANNERY LIMITED

36. In the absence of the Notification in the Official Gazette of the Central Government of India, the cess payable under Section 441A has not been paid / provided. The payment of cess shall be made in accordance with the Notification, as and when issued by the Central Government of India in its Official Gazette.
37. Confirmation of Balances with Sundry debtors, creditors, loans and advances and other parties have not been received in few cases.
38. The company has incurred in Research & Development expenses during the year, the same are immaterial and no future economic benefit will accrue, therefore no expenses have been capitalized.
39. The current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. The provisions for all known liabilities are adequate and not in excess of the amount considered reasonably necessary.
40. Pursuant to the exemption granted under Section 212 (8) of the Companies Act, 1956, by the Government of India, Ministry of Corporate Affairs, vide general circular no. 2/2011 dated 18.02.2011, the Annual Accounts as on 31st March 2013, in respect of the subsidiaries namely: Super Safetywears Limited, Super Tannery (U.K.) Limited, Aarifi Tanners Limited and Safety Solutions s.r.o. have not been attached to the Annual Report of the Company. The requisite information for each subsidiary, as stipulated vide above exemption, has been disclosed. The Annual Accounts of the subsidiary companies and related detailed information will be made available to the holding & subsidiary company investors seeking such information. The annual accounts of the subsidiary companies will be kept for inspection by any investor in the head office of the Company and the subsidiary concerned.
41. The figures of the previous year have been regrouped/rearranged wherever necessary in order to make them comparable with the figures of the current year. Figures have been rounded off to the nearest rupee. Figures in brackets pertain to previous year.

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

As per our report of even date  
For Kapoor Tandon & Co.,  
*Chartered Accountants*  
Firm Reg. No. 000952C  
(R.P. Gupta)  
*Partner*  
M.No. 070904

Place : Kanpur  
Dated : 29.05.2013

For and on behalf of the Board of Directors

Mohd. Imran  
*Director (Finance)*

Iqbal Ahsan  
*Joint Managing Director*

Ifikharul Amin  
*Managing Director*

R.K. Awasthi  
*Company Secretary*

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

1. Description	Aarifi Tanners Limited	Super Safetywears Limited	Super Tannery (U.K.) Limited	Safety Solutions s.r.o.
2. Financial year of the Subsidiary Company ended on.	31.03.2013	31.03.2013	31.03.2013	31.03.2013
3. Extent of holding Company's interest in the Subsidiary Company.				
(i) Number of Shares held.	12,05,366 Equity Shares of Rs.10/- each fully paid	14,99,300 Equity Shares of Rs.10/- each fully paid	2,100 ordinary shares of £ 1/- each fully paid	6,638 ordinary shares of € 1/- each fully paid
(ii) Percentage of Holding	82.52%	99.95%	100.00%	100.00%
4. The net aggregate amount of the Subsidiary's Profit/ (Loss) so far as it concerns members of the Holding Company and is not dealt with in the holding Company's accounts;				
(i) for the financial year of the Subsidiary.	Rs. 3,00,068	NIL	£ 2,207	NIL
(ii) for the previous financial years of the Subsidiary since it became the holding Company's Subsidiary.	Rs.(-)16,51,683	NIL	£ (-)4,54,020	€ (-)62,360
5. The net aggregate amount of the Subsidiary's Profit/ (Loss) of the Subsidiary Company dealt with in the holding Company's accounts;				
(i) for the financial year of the Subsidiary.	NIL	NIL	NIL	NIL
(ii) for the previous financial years of the Subsidiary since it became the holding Company's Subsidiary.	NIL	NIL	NIL	NIL
6. Change in the interest of holding Company during the year ended 31.03.2012.	NIL	NIL	NIL	NIL
7. Material changes between the end of the financial year of the subsidiary and financial year of holding Company.	NIL	NIL	NIL	NIL

Pursuant to the General Exemption under section 212(8) of the companies act 1956 by Government on India, Ministry of Corporate Affairs vide **circular no. 2/2011 dated 18.02.2011**, the company is not required to disclosed information contained in section 212(1) of the Companies act 1956 in respect of subsidiary companies: (1) Super Tannery (U.K.) Limited (2) Aarifi Tanners Limited (3) Super Safetywears Limited (4) Safety Solutions s.r.o.

For and on behalf of the BOARD

Place : Kanpur.  
Date : 14.08.2013

**IFTIKHARUL AMIN**  
Managing Director

**IQBAL AHSAN**  
Jt. Managing Director

**R.K. AWASTHI**  
Company Secretary

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

1. Description	Aarifi Tanners Limited	Super Safetywears Limited	Super Tannery (U.K.) Limited	Safety Solutions s.r.o.
2. Financial year of the Subsidiary Company ended on.	31.03.2013	31.03.2013	31.03.2013	31.03.2013
3. Share Capital: (a) Authorized (b) Paid up	Rs. 2,00,00,000 Rs. 1,46,07,000	Rs. 2,00,00,000 Rs. 1,50,00,000	Not Applicable £ 2,100 Equivalent to Rs. 1,71,171	Not Applicable € 6,638 Equivalent to Rs. 4,55,964
4. Reserves and Surplus	Rs. (-) 13,51,614	Not Applicable	£ (-) 4,51,813 Equivalent to Rs. (-) 3,72,71,463	€ (-) 62,360 Equivalent to Rs. (-) 42,81,940
5. Total Assets	Rs. 1,32,68,879	Rs. 1,50,23,533	£ 6,64,375 Equivalent to Rs. 5,41,53,206	€ 7,696 Equivalent to Rs. 5,28,683
6. Total Liabilities	Rs. 1,86,294	Rs. 25,533	£ 11,14,088 Equivalent to Rs. 9,08,09,312	€ 65,436 Equivalent to Rs. 44,94,798
7. Investments	Rs. 1,72,800	NIL	NIL	NIL
8. Turnover	NIL	Not Applicable	£ 5,32,721 Equivalent to Rs. 4,58,35,314	NIL
9. Profit before taxation	Rs. 3,00,068	Not Applicable	£ 2,207 Equivalent to Rs. 22,31,161	NIL
10. Provision for taxation	NIL	Not Applicable	NIL	NIL
11. Profit after taxation	Rs. 3,00,068	Not Applicable	£ 2,207 Equivalent to Rs. 22,31,161	NIL
12. Proposed Dividend	NIL	Not Applicable	NIL	NIL

**Note :**

- Above informations are being given in view of Ministry of Company Affairs Approval Granted under section 212(8) of the companies act 1956 vide **circular no. 2/2011 dated 18.02.2011**.
- Exchange Rate considered for the purpose of conversion into Indian Rupees as under:
  - In case of valuation at Average Rate (a) € 70.07 (b) £ 86.40
  - In case of valuation at Closing Rate (a) € 68.69 (b) £ 81.51

For and on behalf of the **BOARD**Place : Kanpur.  
Date : 14.08.2013**IFTIKHARUL AMIN**  
Managing Director**IQBAL AHSAN**  
Jt. Managing Director**R.K. AWASTHI**  
Company Secretary





**SUPER TANNERY LIMITED**

Registered Office : 187/170, Jajmau Road, KANPUR - 208 010.

**ATTENDANCE SLIP**

29th Annual General Meeting to be held on Monday, the 30th day of September, 2013 at 8.00 a.m.  
at 187/170, Jajmau Road, Jajmau, Kanpur - 208 010.

Folio No. .... DPID\* ..... Client ID\* .....

Name of Shareholder(s).....

I/We certify that I am/we are Member(s) of the Company holding ..... Shares.

.....  
(Name of the Proxy in Block Letters)

.....  
(Signature of Member(s) Proxy)

\*Applicable for share holders holding shares in Electronic Form.

A member or his/her duly appointment Proxy wishing to attend the meeting must complete this Admission Slip and hand it over at the entrance.

.....(TEAR HERE).....

**SUPER TANNERY LIMITED**

Registered Office : 187/170, Jajmau Road, KANPUR - 208 010.

**PROXY FORM**

I/We..... of..... being a member/members of the above named Company, hereby appoint Mr./Mrs./Miss ..... of..... or failing him/her Mr./Mrs./Miss..... of..... as my/our Proxy to attend and vote for me/us on my/our behalf at the 29th Annual General Meeting of the Company to be held on Monday, the 30th September, 2013 at 8.00 a.m. and/or at any adjournment thereof.

Signed..... this..... day of ....., 2013.

Folio No. .... DPID\* .....

Client ID\*..... No. of Shares.....

\*Applicable for share holders holding shares in Electronic Form.

Please affix  
Re. 1/-  
Revenue  
Stamp

**NOTES:** A member intending to appoint a Proxy should complete the Proxy Form and deposit it at the Company's Registered Office, at least 48 hours before the meeting.

Shivani Press

BOOK - POST

*If undelivered, please return to :*  
Super Tannery Limited  
187/170, Jajmau Road,  
Jajmau,  
Kanpur-208 010.