



ANNUAL REPORT 2018-19

Superhouse Group Factories

- A Glimpse

Tanneries



Tannery Unit 1

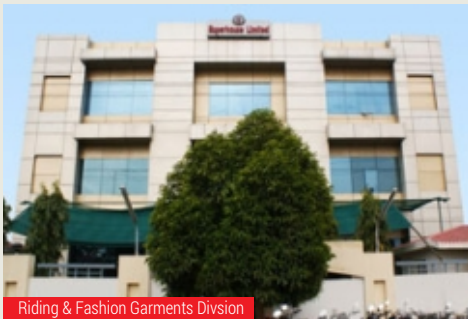


Tannery Unit 2



Tannery Unit 3

Textile & Garments



Riding & Fashion Garments Division



Leather garments Division



Textile Workwear Division

Footwear



Fashion Footwear Unit 1



Fashion Footwear Unit 2



Fashion Footwear Unit 3



Fashion Footwear Unit 4



Safety Footwear Division 1



Safety Footwear Division 2



Safety Footwear Division 3



Safety Footwear Division 4



CHAIRMAN'S MESSAGE

Dear Fellow Shareholders,

It gives me great pleasure to share with you an update of the overall performance of your company. In spite of a challenging year for Indian Exporting Industries, your company performed well and delivered another year of consistent, competitive and profitable performance. The company has shown impressive growth in the margins. The Company received the best exporter award for overall export performance during 2017-18 from Council for Leather Exporters, Central Region, Chennai. In addition to Export Award in overall category, the company also received the Best Exporter Award in Leather Footwear and Harness and Saddlery (Non Leather) and 2nd prize for Industrial Leather Gloves. The company also received State Export Award, Uttar Pradesh 2018-19 for high export performance among all categories and for Leather and Leather Products.

Your company achieved turnover of Rs. 5675.23 millions and export turnover of Rs. 4584.35 million during the year. The export turnover contributing 80.77% of the total turnover. The impressive share of exports is an indicator of the very good demand for the products of the company across the world.

In spite of overall challenging condition of International Market, the margins of the company increased during the year. The company earned profit before tax of Rs. 29.11 crores during the year under review as compared to Rs. 19.54 crores earned during the previous year.

Your company has strong financials to support its ambitious growth plans. Our results reflected sound execution of our business plans, centered on global expansion and disciplined cost and asset management.

As a responsible Corporate Citizen your company serves the society in the domains of Education, Healthcare and Environment. During the year, the Company contributed 3.89% of the net profit towards Corporate Social Responsibility (CSR) activities.

I would like to thank all our customers, suppliers and colleagues in India and abroad for their wholehearted support and valued contribution during 2018-19. Further, we have much to look forward to as we strive to make our company even stronger and continue to focus on delivering to our customers.

I am grateful to our independent directors who have given their contribution and share their valuable experience and knowledge of the management to take the company forward. I also take this opportunity to express my gratitude to all our stakeholders, who have reposed a trust in us and extended their constant support.

With best wishes

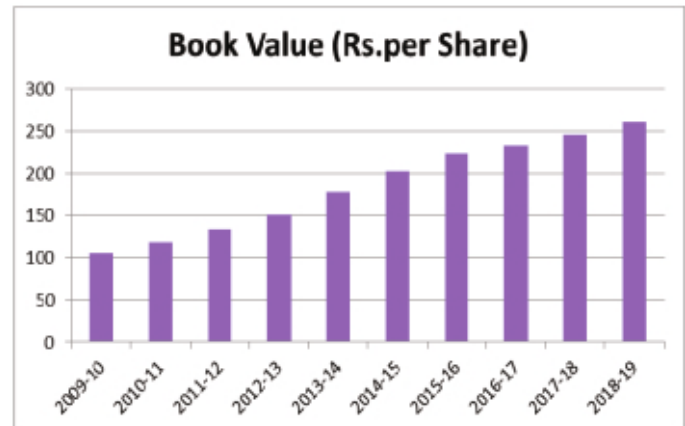
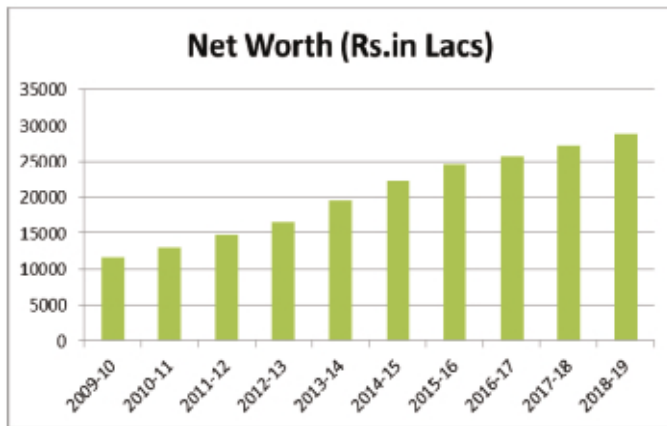
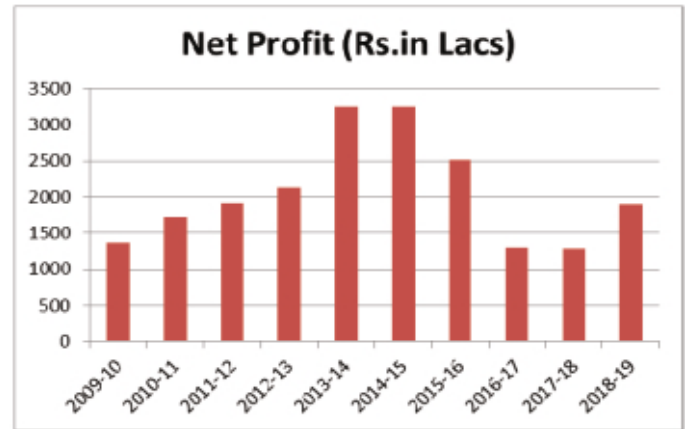
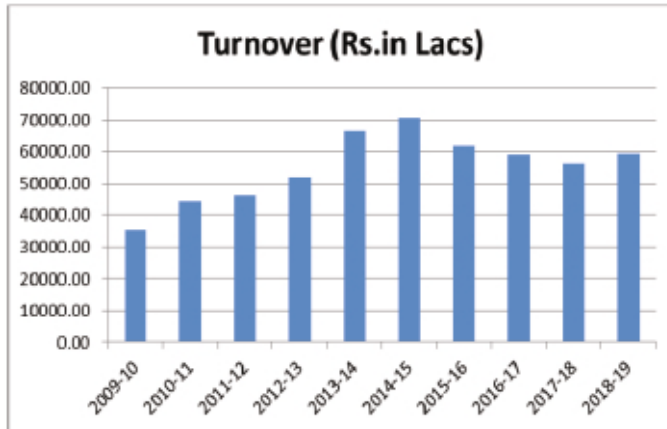
Mukhtarul Amin

Chairman and Managing Director





FINANCIAL HIGHLIGHTS



INSIDE THIS REPORT

1- Chairman's Message	1	11- Cash Flow Statement	38
2- Financial Highlights and Contents	2	12- Notes to the Financial Statements	39-65
3- Awards and Recognition	3	13- Independent Auditors' Report on Consolidated Financial Statements	66-69
4- Board of Directors	4	14- Consolidated Balance Sheet	70
5- Directors' Report	5-20	15- Consolidated Statement of Profit and Loss	71
6- Corporate Governance Report	21-30	16- Consolidated Statement of Changes in Equity	72
7- Independent Auditors' Report on Financial Statements	31-34	17- Consolidated Cash Flow Statement	73
8- Balance Sheet	35	18- Notes to the Consolidated Financial Statements	74-96
9- Statement of Profit and Loss	36	19- Salient Features of Financial Statements of Subsidiary/Associates/Joint Ventures	97-98
10- Changes in Equity	37	20- Notice of Annual General Meeting	99-112



AWARDS AND RECOGNITION

2018-19	State Export Award for Excellent Performance among all categories, presented by Uttar Pradesh Government.
2018-19	State Export Award for Excellent Performance in Leather and Leather Products, presented by Uttar Pradesh Government.
2017-18	Best overall export performance award from Council for Leather Exports, Central Region, Chennai.
2017-18	Best Export Performance Award for Leather Footwear from Council for Leather Exports, Central Region, Chennai.
2017-18	Best Export Performance Award for Harness and Saddlery (Non Leather) from Council for Leather Exports, Central Region, Chennai.
2017-18	Export Award for second place for Industrial Leather Gloves from Council for Leather Exports, Central Region, Chennai.
2016-17	Best Export Performance Award for Non-Leather Harness/Saddles/Bridles
2016-17	Brand Creation Award for its Brand SILVER STREET
2015-16	Best Export Performance Award for Non-Leather Harness/Saddles/Bridles
2014-15	Niryat Shree Award 2014-15, Presented by Hon'ble President of India Shree Pranab Mukharji
2014-15	Best Export Performance Award for Non Leather Harness/Saddles/Bridles
2013-14	Overall Export Performance 2013-14 Presented by Council for Leather Exports.
2013-14	Best Export Performance 2013-14 for Non Leather Harness & Saddlery Category Presented by Council for Leather Exports.
2013-14	Best Export Performance 2013-14 for Leather Footwear Category above 200.00 Crores Presented by Council for Leather Exports.
2012-13	Overall Export Performance 2012-13 Presented by Council for Leather Exports.
2012-13	Best Export Performance 2012-13 for Non Leather Harness & Saddlery Presented by Council for Leather Exports.
2011-12	Best Overall Export Performance 2011-12 Gold Trophy presented by Council for Leather Exports.
2011-12	Best Export Performance 2011-12 for Non Leather Harness & Saddlery presented by Council for Leather Exports.
2011-12	Excellent Export Performance 2011-12 for Leather Footwear Silver Trophy Presented by Council for Leather Exports
2010-11	Best Overall Export Performance 2010-11 Gold Trophy presented by Council for Leather Exports.
2010-11	Best Export Performance 2010-11 for Non Leather Harness & Saddlery presented by Council for Leather Exports.
2010-11	Excellent Export Performance 2010-11 for Leather Footwear Silver Trophy Presented by Council for Leather Exports
2009-10	Niryat Shree Silver Trophy 2009-10 presented by Federation of Indian Export Organisations
2009-10	Best Overall Export Performance 2009-10 Gold Trophy presented by Council for Leather Exports.
2009-10	Best Export Performance 2009-10 for Leather Garments presented by Council for Leather Exports.
2009-10	Best Export Performance 2009-10 for Non Leather Harness & Saddlery presented by Council for Leather Exports.
2009-10	Commendable Export Performance 2009-10 for Leather Goods presented by Council for Leather Exports.
2008-09	Commendable Export Performance 2008-09 Silver Trophy Presented by Council for Leather Exports
2008-09	Best Export Performance 2008-09 Non-Leather Saddlery & Harness. Presented by Council for Leather Exports.

2008-09	Commendable Export Performance 2008-09 for Finished Leather Presented by Council for Leather Exports
2008-09	Commendable Export Performance 2008-09 for Footwear Components Presented by Council for Leather Exports
2007-08	Commendable Export Performance 2007-08 Silver Trophy. Presented by Council for Leather Exports.
2007-08	Best Export Performance 2007-08 Non-Leather Saddlery & Harness. Presented by Council for Leather Exports.
2007-08	Trading House Certificate. Presented by Ministry of Commerce and Industry, Government of India.
2006-07	Best Overall Export Performance 2006-07 Gold Trophy Presented by Council for Leather Exports.
2006-07	Best Export Performance 2006-07 Non- Leather Saddlery & Harness Presented by Council for Leather Exports
2006-07	Certificate of Merit for Securing ISO 14001 Certification for Finished Leather, Shoes & Accessories Units. Presented by Council for Leather Exports.
2006-07	Certificate of Merit for Securing OHSAS 18001 Certification for Finished Leather, Shoes & Accessories Units.
2006-07	21st Century Miriennium Award for Outstanding Achievements in Chosen Field of Activity. Presented by International Institute of Education & Management. Mr. Mukhtarul Amin, Chairman and Managing Director of Superhouse Ltd. unanimously elected as Chairman of Council for Leather Export.
2005-06	Best Overall Export Performance 2005-2006 Gold Trophy Presented by Council For Leather Exports.
2004-05	Utkrast Puraskaar-2004-05 / Rajya Niryat Puraskaar Presented by Niryat Protsaahan Vibhag, Uttar Pradesh Govt.
2003-04	Best Overall Export Performance 2003-04 Gold Trophy Presented by Council For Leather Exports.
2003-04	1st Prize Rajya Niryat Puraskaar 2003-04 Presented by Rajya Niryat Protsaahan Vibhag, Uttar Pradesh Govt.
2002-03	2nd Prize Rajya Niryat Puraskaar 2002-03 Presented by Niryat Protsaahan Vibhag, Uttar Pradesh Govt.
2001-02	Best Export Performance in Finished Leather. Presented by Council for Leather Exports.
1998-99	Commendable Export Performance during 1998-99 in Overall Exports. Presented by Council for Leather Exports.
1997-98	Certificate of Merit for Commendable Performance during 1997-98. Presented by Council for Leather Exports.
1997-98	Certificate of Merit for Commendable Performance during 1997-98 in Footwear Components. Presented by Council for Leather Exports.
1996-97	Certificate of Merit for Commendable Performance during 1996-97 in Footwear Components. Presented by Council for Leather Exports.
1995-96	2nd Prize State Export Award. Presented by Uttar Pradesh Govt.
1995-96	Certificate of Merit for Commendable Performance during 1995-96 in Footwear Components. Presented by Council for Leather Exports.
1994-95	Certificate of Merit for Commendable Performance during 1994-95 in Footwear Components. Presented by Council for Leather Exports.
1991-92	2nd Prize State Export Award. Presented by Uttar Pradesh Sarkar.
1991-92	State Export Award 1990-1991. Presented by Uttar Pradesh Govt. Action Award 1991 Presented to Mr. Mukhtarul Amin for Excellent Person of the year.
1988-89	1st Prize state Export Award 1988-89 Presented by Uttar Pradesh Govt.



BOARD OF DIRECTORS

Managing Directors

Mr. Mukhtarul Amin	<i>Chairman and Managing Director</i>
Mr. Zafarul Amin	<i>Joint Managing Director</i>
Mr. Mohammad Shadab	<i>Deputy Managing Director</i>

Non-Independent Directors

Mrs. Shahina Mukhtar
Mr. Yusuf Amin

Wholetime Directors

Mr. Vinay Sanan	<i>Executive Director</i>
Mr. Anil Kumar Agarwal	<i>Chief Financial Officer</i>

Independent Directors

Mr. Syed Javed Ali Hashmi
Mr. Nemi Chand Jain
Dr. Krishna Kumar Agarwal
Mr. Anil Soni
Mr. Kamal Agarwal
Mr. Dilip Kumar Dheer
Mr. Ajai Kumar Sengar

COMPANY SECRETARY

Mr. R. K. AGRAWAL

BANKERS

Punjab National Bank
State Bank of India
Bank of Baroda

AUDITORS

Rajeev Prem & Associates
Chartered Accountants, Kanpur

REGISTERED OFFICE

150 Feet Road,
Jajmau, Kanpur-208010
Email: share@superhouse.in
Website: www.superhouse.in
Tel: 91-0512-2460185, 9935142048



DIRECTORS' REPORT

To
The Shareholders,
Superhouse Limited,
Kanpur.

The Board of Directors are pleased to present the Company's Thirty-Ninth Annual Report and the Company's audited financial statements (standalone and consolidated) for the financial year ended March 31, 2019.

Financial Results

The Company's financial performance for the year ended March 31, 2019 is summarised below:-

PARTICULERS	STANDALONE		CONSOLIDATED	
	2018-19	2017-18	2018-19	2017-18
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Revenue from Operations	59410.96	56369.90	69440.01	64971.92
Other Income	620.01	1251.67	745.75	1571.33
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	6081.40	5223.62	6643.62	6054.04
Less: Depreciation/ Amortisation/ Impairment	1410.57	1469.57	1538.06	1556.24
Profit /loss before Finance Costs, Exceptional items and Tax Expense	4670.83	3754.05	5105.56	4497.80
Less: Finance Costs	1760.32	1800.11	1935.55	2011.88
Profit /loss before Exceptional items and Tax Expense	2910.51	1953.94	3170.01	2485.92
Add/(less): Exceptional items	-	-	-	-
Profit /loss before Tax Expense	2910.51	1953.94	3170.01	2485.92
Less: Tax Expense (Current & Deferred)	996.67	664.49	1079.75	722.77
Profit /loss for the year (1)	1913.84	1289.45	2090.26	1763.15
Total Comprehensive Income/loss (2)	-3.48	8.89	-3.48	8.89
Total (1+2)	1910.36	1298.34	2086.78	1772.04
Balance of profit /loss for earlier years	13794.04	12628.39	16366.67	14792.54
Less: Transfer to Reserves	200.00	-	200.00	-
Less: Dividend paid on Equity Shares	110.25	110.25	110.25	158.23
Less: Dividend Distribution Tax	22.66	22.44	22.66	22.44
Add: Share of profit (after tax) of Associates			285.70	190.35
Adjustment/related to investment properties			7.81	-207.59
Balance carried forward	15371.49	13794.04	18414.05	16366.67

Dividend and Reserves:-

Your Directors are pleased to recommend a final dividend of Rs. 1/- per equity share (previous year Rs. 1.00 per equity share) on the equity share capital of the company for the financial year ended 31st March, 2019. The cash outflow on account of dividend on equity capital will be Rs. 132.91 lacs (previous year Rs. 132.69 lacs) including dividend distribution tax of Rs. 22.66 lacs (previous year Rs. 22.44 lacs). During the year under review, your company transferred a sum of Rs. 200 lacs to General Reserve (Previous year Rs. Nil).

Financial Performance:-

The company has achieved the sales and other Income of Rs 600.30 crores against Rs. 576.21 crores reported last year. The Profit before tax was Rs. 29.11 crores and profit after tax was Rs. 19.14 crores during the year under review as compared to Rs. 19.54 crores and Rs. 12.89 cores, respectively, during previous year. Earnings per share increased from Rs. 11.70 per share during the previous year to Rs. 17.36 per share during the year under review. Further, the company achieved the consolidated sales and other Income of Rs. 701.86 crores against Rs. 665.43 crores reported last year. The Profit before tax was Rs. 31.70 crores and profit after tax was Rs. 20.90 crores during the year under review as compared to Rs. 24.86 crores and Rs. 17.63 cores, respectively, during previous year. The consolidated earning per share increased from Rs. 15.99 per share during previous year to Rs. 18.96 per share during the year under review.

Export Awards:-

The Company received best exporter award for overall export performance during 2017-18 from Council for Leather Exporters, Central Region, Chennai. In addition to Export Award in overall category, the company also received the Best Exporter Award in Leather Footwear and Harness and Saddlery (Non Leather) and 2nd prize for Industrial Leather Gloves. Further the company also received State Export Award, Uttar Pradesh 2018-19 for high export performance among all categories and for Leather and Leather Products.

Credit Rating :-

During the year under review, the Company has sustained the Credit Rating "ICRA BBB+" assigned by ICRA, to its Long Term Bank facilities. Further, the Rating of "ICRA2" assigned to the Short Term Bank facilities of your Company has also been reaffirmed.

Material changes affecting the company:

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this Report. There has been no change in the nature of business of the Company.

Subsidiary Companies, Joint Venture and Associate Companies:-

The Company is having seven subsidiary companies namely M/s Superhouse (UK) Limited, M/s Superhouse (USA) International Inc, M/s Superhouse Middle East FZC, M/s Briggs Industrial Footwear Limited, UK, M/s Linea De



Seguridad S.L.U, Spain, M/s Superhouse Gmbh, Germany and LA Compagnie Francaise De Protection SARL and five Associates namely M/s Unnao Tanneries Pollution Control Company, M/s Steven Construction Limited, M/s Amin International Limited, M/s Knowledgehouse Limited and M/s Creemos International Limited. There is no joint venture of the company. During the year, no company becomes or ceased to be company's subsidiary, joint venture or Associates Company.

The Company will make available the annual accounts of subsidiaries and the related information to any member of the Company who may be interested in obtaining the same. The annual accounts of subsidiaries will also be kept for inspection by any member of the Company at the registered office of the Company and that of the respective subsidiaries. The Financial Statements, including Consolidated Financial Statement and separate Financial Statement in respect of each of its subsidiaries have also been placed on the website of the company. A statement containing salient features of the Financial Statement of subsidiaries/associates companies is forming part of the Annual Financial Statement.

The policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: <http://superhouse.in/pdf/Policy-for-determining-Material-Subsidiary.pdf>.

Consolidated Financial Statement:-

In accordance with the provisions of the Companies Act, 2013 ("the Act") and Ind AS110-Consolidated Financial Statements read with Ind AS28-investments in Associates, the audited consolidated financial statement are provided in the Annual Report.

Secretarial Standards :-

The Directors state that Secretarial Standards, i.e. SS-1, SS-2, SS-3 and SS-4 relating to 'Meetings of the Board of Directors', 'General Meetings', 'Dividend' and Report of Board of Directors respectively, have been duly followed by the Company.

Directors' Responsibility Statement:-

Your Directors state that:

- in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Management Discussion and Analysis:-

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V to the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is presented in a separate section, forming part of the Annual Report.

Corporate Governance:-

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

The requisite certificate from the Auditors of the Company confirming

compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

Internal Financial Controls:-

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

Corporate Social Responsibility:-

The Corporate Social Responsibility Committee comprises Mr. Mukhtarul Amin, Chairman, Mr. Anil Kumar Agarwal, Mr. Syed Javed Ali Hashmi and Mr. Dilip Kumar Dheer as members. The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The Corporate Social Responsibility Policy may be accessed on the Company's website at the link: <http://superhouse.in/pdf/CSR-Policy.pdf>.

To attain its Corporate Social Responsibility (CSR) objectives in a professional and integrated manner the company has identified the promotion of Education, Healthcare and Environment Sustainability as its focus areas.

In Education, the endeavors of the company are to spark the desire of learning and knowledge at every stage through quality primary education, formal schools, facility for preparation of higher education and development of sports skills. The proper arrangements have been made for free education of the financially weaker section of the society. The company is also assisting in skill development by providing on the job and vocational training.

In Healthcare, the endeavors of the company are to eradicate hunger, poverty and malnutrition and promoting healthcare including preventive health care.

In Environmental Sustainability, the endeavors of the company are:- 1. To ensure environmental sustainability by adopting best ecological practices and encouraging conservation/judicious use of water and other natural re-sources. 2. To use environment friendly and safe process in production. 3. To create a positive fast print within the society by creating inclusive and enabling infrastructure/environment for livable communities. 4. To run primary and secondary treatment plants for the disposal of effluent waste.

During the year, the Company spent Rs. 107.40 lacs (around 3.89% of the average net profit of last three financial years) including Rs. 51.65 lacs unspent amount of previous year, on CSR activities. The Annual Report on CSR activities is annexed herewith, marked as Annexure-I.

Directors and Key Managerial Personnel:-

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Zafarul Amin and Mr. Mohammad Shadab, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible they offered themselves for re-appointment. No key managerial personnel was appointed or resigned during the year, except Mrs Shahina Mukhtar resigned from the office of Wholtime Director of the Company with effect from 15th June, 2019, however she will continue as non-executive director of the company. The Terms of Appointment of Mr Mukhtarul Amin, Chairman and Managing Direct (DIN: 00012108), Mr Zafarul Amin, Joint Managing Director (DIN: 00015533), Mr Mohd Shadab, Deputy Managing Director (DIN: 00098221), Mr Vinay Sanan, Executive Director (DIN: 00014536) and Mr Anil Kumar Agarwal, Director Finance (DIN: 00014645) will expire during current year. Your Board, on the recommendation of the Nomination and Remuneration Committee, recommends the re-appointment of all of them in accordance with the terms and conditions mentioned in the notice of forthcoming Annual General Meeting of the company read with explanatory statement annexed to the notice.

Mr. Syed Javed Ali Hashmi (DIN: 00014726), Mr. Dilip Kumar Dheer (DIN: 03341879), Mr. Anil Soni (DIN: 00023188), Mr. Nemi Chand Jain (DIN: 00031283), Dr. Krishan Kumar Agarwal (DIN: 00022719) and Mr. Kamal Agarwal (DIN: 00022904) were appointed as Independent Directors of the Company to hold office for 5(five) consecutive years up to 22nd September, 2019. Pursuant to regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Nemi Chand Jain (Date of Birth 16th May, 1939) ceased from the office of the Independent and non-executive director with effect from 31st March, 2019, as



he has attained the age of 75 years. Mr. Nemi Chand Jain was further appointed as an additional director (Non-Executive and Independent) by the board of directors of the company with effect from 1st April, 2019, subject to the approval of shareholders by special resolution at the ensuing annual general meeting.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of all of them, including Mr Nemi Chand Jain who has attained the age of 75 years, would be beneficial to the Company and it is desirable to continue to avail their services as an Independent Directors. Your Board recommends to re-appoint Mr. Syed Javed Ali Hashmi (DIN: 00014726), Mr. Dilip Kumar Dheer (DIN: 03341879), Mr. Anil Soni (DIN: 00023188), Mr. Nemi Chand Jain (DIN: 00031283), Dr. Krishan Kumar Agarwal (DIN: 00022719) and Mr. Kamal Agarwal (DIN: 00022904) as an Independent Directors of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Listing Regulations.

The details of programs for familiarization of Independent Directors with the Company, their roles, rights, responsibilities with the Company, the nature of the industry in which the Company operates, the business model of the Company and related matters are also put up on the website of the Company at the link: <http://superhouse.in/pdf/Familiarisation-Programme.pdf>.

The Company has devised the following Policies/Criteria viz: a) Policy for selection of Directors and determining Directors' independence; b) Remuneration Policy for Directors, Key Managerial Personnel and other employees and c) Criteria of making payments to Non-Executive Directors. The aforesaid policies/criteria are put up on the Company's website and can be accessed at <http://superhouse.in/pdf/Policy-for-Selection-of-Directors.pdf>, <http://superhouse.in/pdf/Remuneration-Policy-for-Directors.pdf> and <http://superhouse.in/pdf/Criteria-of-making-payments-to-Non-Executive-Directors.pdf>.

The Policy for selection of Directors and determining Directors' independence sets out the guiding principles for the NR Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as Independent Directors of the Company. The Policy also provides for the factors in evaluating the suitability of individual Board members with diverse background and experience that are relevant for the Company's operations. The Remuneration Policy for Directors, Key Managerial Personnel and other employees sets out the guiding principles for the NR Committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company. Criteria of making payment to Non-Executive Directors set out the guiding principles for the payment to Non-Executive Directors.

Meetings of the Board:-

Seven meetings of the Board of Directors were held during the year. The details of the meeting are given in the Corporate Governance Report.

Performance Evaluation:-

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, which includes criteria for performance evaluation of the non-executive directors and executive directors. The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Chairman and Managing Director and the Non-Independent Directors was carried out by the Independent Directors. The evaluation of independent directors was done by the entire board of directors which include performance of the directors, fulfillment of the independence criteria and their independence from the management. The Directors express their satisfaction with the evaluation process.

Contracts and Arrangements with Related Parties:-

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://superhouse.in/pdf/Policy-on-Materiality.pdf>

There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

Your Directors draw attention of the members to Note 47 to the financial statement which sets out related party disclosures. Further notice of annual general meeting read with explanatory statement provide the details of contract or arrangement entered/to be entered into with related party along with the justification for entering into such contract or arrangement.

Investor Education and Protection Fund (IEPF)

In compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, the Company has deposited a sum of Rs. 18,45,666.00/- into the specified bank account of the IEPF, Government of India, towards unclaimed / unpaid dividend amount for the financial year ended 31st March, 2011.

As per the said Rules, the corresponding equity shares in respect of which Dividend remains unclaimed / unpaid for seven consecutive years or more, are required to be transferred to the Demat Account of the IEPF Authority. During the year under review, the Company has transferred 100947 underlying Equity Shares to the Demat Account of the IEPF Authority, in compliance with the aforesaid Rules.

SIGNIFICANT AND MATERIAL LITIGATIONS / ORDERS

During the year under review, there were no significant material orders passed by the Regulators / Courts and no litigation was outstanding as on March 31, 2019, which would impact the going concern status and future operations of your Company. The details of litigation on tax matters are disclosed in the Auditor's Report and Financial Statements which forms part of this Annual Report.

Risk Management:-

The details about the development and implementation of risk management policy of the company, including elements of risk are given in *the Corporate Governance Report*.

Vigil Mechanism:-

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Regulations, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee. The vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: <http://superhouse.in/pdf/Vigil-Mechanism-and-Whistle-Blower-Policy.pdf>

Particulars of Loans given, Investments made, Guarantees given and Securities provided:-

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the Standalone Financial Statement.

Annual Return: -

Extract of Annual Return of the Company is annexed herewith as Annexure II to this Report. Further, as required under section 134(3)(c) of the Companies Act, 2013, the Annual Return is put up on the Company's website and can be accessed at <http://superhouse.in/pdf/annualreturn.pdf>.



Particulars of Employees and Related Disclosures:-

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees as required in the said rules are provided in the Annual Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

Conservation of Energy:-

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

Technology Absorption:-

The company is carrying on the research and development, understanding the customer needs and preferences for design, quality and comfort on a regular way. Improvement of overall product performance by implementing the planned strategies, bringing in new developments and product improvements based on consumer research have helped your Company to achieve excellent working results and improve the competitive strength of the company. The use of modern technology and newest materials not only guarantee world class quality products at reasonable price but also caters to the fashion needs of the customers while meeting the ever changing market requirements.

The company has incurred expenditure of Rs. 45.66 lacs which are 0.07% of total turnover for the Research and Development Activities during the year as compared to Rs. 42.02 lacs which were 0.07% of total turnover incurred during the previous year.

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

Foreign Exchange Earnings & Outgo:-

Your company continues to enjoy the status of a Government of India Recognized Trading House. Continuous efforts are being made to identify the new markets. The company earned Foreign Exchange of Rs. 45398.44 lacs during the year in comparison to previous year of Rs. 43535.43 lacs. During the year, the total Foreign Exchange outgo was Rs. 7903.59 lacs as compared to Rs. 6147.01 lacs during the preceding financial year.

Statutory Auditors:-

M/s. Rajeev Prem and Associates, Chartered Accountants were appointed as Auditors of the Company, for a term of 5 (five) consecutive years, at the Annual General Meeting held on September, 29, 2017. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Auditor:-

The Board has appointed Mr. Gautam Kumar Banthia, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith, marked as Annexure III to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

NON-APPLICABILITY OF MAINTENANCE OF COST RECORDS

The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and Rules framed thereunder with respect to the Company's nature of business.

Audit Committee:-

The Audit Committee Comprises Independent Directors, namely Mr. Dilip Kumar Dheer, Chairman Mr. Anil Kumar Agarwal, Mr. Syed Javed Ali Hashmi and Mr. Kamal Agarwal as members. All the recommendations made by the Audit Committee were accepted by the Board.

General:-

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme. There is no change in the Capital Structure of the Company during the Year.
4. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
5. Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries, except Mr. Mukhtarul Amin, Chairman and Managing Director of the company received remuneration/commission of Rs. 6.88 lacs from M/s Briggs Industrial Footwear Limited, U. K., subsidiary of the company during the year (previous year 10.22 lacs).
6. The company has no information about any Corporate Insolvency Resolution Process, initiated against the Company, under the Insolvency and Bankruptcy Code, 2016.
7. No fraud was reported by the auditors under sub-section (12) of Section 143.

Prevention of Sexual Harassment at the Workplace

The company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, there was no complaint filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgement:-

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board

Place : KANPUR
Date : 06 July, 2019

MUKHTARULAMIN
Chairman