ANNUAL REPORT 2009-2010

MIRZA INTERNATIONAL LIMITED

Her Excellency Smt. Pratibha Devi Singh Patil, President of India conferring
Padma Shri Award to Shri Irshad Mirza, Chairman, Mirza International Ltd.
on 7th April, 2010 at Ashoka Hall, Rashtrapati Bhawan, New Delhi.

Board of Directors	Mr. Irshad Mirza, Chairman Mr. Rashid Ahmed Mirza, Managing Director Mr. Shahid Ahmad Mirza, Whole-time Director Mr. Tauseef Ahmad Mirza, Whole-time Director Mr. Tasneef Ahmad Mirza, Whole-time Director Mr. N.P. Upadhyay, Whole-time Director Dr. Yashveer Singh Mr. Pashupati Nath Kapoor Mr. Qazi Noorus Salam Mr. Sudhindra Jain Mr. Subhash Sapra Mr. Islamul Haq
Company Secretary	Mr. D.C. Pandey *G.M. (Accounts) & Company Secretary*
Auditors	M/s. Khamesra Bhatia & Mehrotra, *Chartered Accountants*
Cost Auditors	Mr. A.K. Srivastava *Cost Accountant*
Secretarial Auditors	M/s. Savita Jyoti Associates *Company Secretaries*
Bankers	Punjab National Bank, The Mall, Kanpur
Registered Office	14/6, Civil Lines, Kanpur – 208 001
Corporate & Marketing Office	A-7, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi – 110 044
Works	Kanpur – Unnao Link Road, Magarwara, Unnao – 209 801 Kanpur – Unnao Link Road, Sahjani, Unnao – 209 801 C-4, 5, 36 & 37, Sector-59, Noida 201 303 UPSIDC Industrial Area, Site II, Unnao – 209 801
Registrar & Share Transfer Agents	M/s Karvy Computershare Pvt. Ltd. "Karvy House", 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 034
Website	www.mirza.co.in
E-mail ID for Investors	dcpandey@redtapeindia.com

AWARDS & CERTIFICATIONS

NAME OF AWARD	YEAR	PRESENTED BY
1. Award for Excellence for Outstanding Export Performance	2008-09	Government of U.P.
2. First Place in Leather Footwear (Above US$ 15 Million)	2008-09	Council for Leather Exports
3. Doyen of Leather Industry Award to Mr. Irshad Mirza for development of Leather Industry	2007-08	Council for Leather Exports
4. Export Award for Overall Export & Plaque (First Prize) for Footwear Export	2006-07	Council for Leather Exports
5. Shoppers' Stop Pinnacle Awards	2007	Best Brand -Footwear
6. BVMSR III Consumer Awards	2007	Category :Fashion & Specialities-Shoes
7. Shoppers' Stop Pinnacle Awards	2006	Best Brand -Footwear
8. Dun & Bradstreet American Express Corporate Award	2006	Dun & Bradstreet American Express
9. Best Exporter & Award for Excellence	2005-06	Government of U.P.
10. Certificate of Merit	2005-06	National Productivity Council
11. Excellence Award for Innovative Export Marketing	2005	Merchants' Chamber Uttar Pradesh
12. Award for Excellence	2004-05	Government of U.P.
13. Best Overall Export Award Gold Trophy	2004-05	Council for Leather Export
14. Best Export Performance Award in Leather Footwear (Above $ 15 Million)	2004-05	Council for Leather Export
15. Best Export Award	2004-05	Indian Footwear Components Manufacturers Assn.
16. Export Promotion Award	2004-05	Export Promotion Bureau, Govt. of U.P.
17. Brand Promotion Award for "Red Tape & Oaktrak" Brand	2004-05	Council for Leather Export
18. IFCOMA Excellence Award for greatest contribution towards Indian Footwear Industry	2004	Indian Footwear Components Manufacturer Assn.
19. PNB Expo Gold Card Award in recognition of outstanding Export performance	2004 for 3 years	Punjab National Bank
20. Award for Best Performance Silver Trophy (Overall Export)	2003-04	Council for Leather Exports
21. Export Award (1 "Prize)	2002-03	Export Promotion Bureau, Govt. of U.P.
22. National Integration Award	2001	Janyog Newspaper
23. State Export Award (1 "Prize)	1999-2000	Export Promotion Bureau, Govt. of U.P.
24. Samman/Award	1998-99	Central Excise & Customs, Govt. of India
25. Best Export Performance in Finished Leather	1998-99	Council for Leather Exports
26. Certificate of Merit for Leather Footwear (Above $ 5 Million)	1998-99	Council for Leather Exports
27. Certificate of Merit for Finished Leather (US $ 1 Million to 5 Million)	1998-99	Council for Leather Exports

Chairman's Message

Mr. Irshad Mirza, Chairman

Dear Shareholders,

The year 2009-10 was a year of global consolidation, when the global economy was consolidating in the aftermath of a massive global financial crisis. While the major economies are still gasping for stabilization, our economy has performed fairly well posting a modest growth of over 7% in the year 2009-10. This can be attributed to the resilienace of Indian economy largely driven by increased consumer spending, depth of Indian markets, and investment in infrastructure leading to improvement in industrial growth. On a whole, India's economic outlook looks positive. However, the supply led inflation is posing a big threat to Indian economy which needs to be checked on a foremost basis if India has to ensure healthy growth.

The Indian economy is witnessing growth across all sectors with retail developments now extending to rural areas as well. In India's economic performance during 2009-10, the Indian retail industry has proved to have a strong grip. It is one of the fastest growing and competitive sectors. This is where opportunity lies for us. The company is poised to gain a stronger foothold in the coming years by investing aggressively in domestic markets and potential markets worldwide.

Amid bleak global economic environment, MIL continues to be the frontrunner with its offerings getting appreciations in emerging markets. The company is fully geared to be the leading footwear company of India. The company has also forayed into apparels, leather accessories, ladies footwear under its Brand 'RED TAPE' which is fast catching eyes. The Company recorded a turnover of Rs 378.89 Crores in the year compared to Rs 361.02 Crores recorded in the previous year showing an upward growth of 4.95%. The remarkable feature is double digits growth in domestic sales. The Profit before tax was Rs 27.61 Crores as against Rs. 9.12 Crores in the previous year. After providing for tax of Rs 9.43 Crores, the net profit for the year remained at Rs 18.18 Crores as against Rs 5.36 Crores during the previous year, thus showing a healthy growth of 239%.

Strong fundamentals have defined the company's growth trajectory so far which is evidenced in increasing productivity, benchmarking quality, costs management by adoption of latest production techniques & skills development to set trends and grow with time.

The ambitious expansion programme chalked out by the company for building up a large shoe manufacturing unit has reached next level. The construction activities at the newly acquired land in Greater Noida are being taken up in phases. This will enhance value for our shareholders in the long run.

Now, at the ending note, I feel pleasure in informing you that it is a moment of pride for all of us that your Chairman has been conferred the 'Padma Shri' Award in the category of 'Trade and Industry' by honourable President of India, Smt. Pratibha Devi Singh Patil. I, from the bottom of my heart, feel that this award is not because of only my individual efforts, but it is a result of the support and faith of Shareholders, hardwork of employees of Mirza International Ltd. and trust of our all associates.

So, I feel that every person who is associated with Mirza International Ltd. has equal right on this 'Padma Shri'.

With best wishes,

Irshad Mirza

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your company have pleasure in presenting the Thirty-first Annual Report together with Audited Accounts of the company for the year ended 31st March, 2010.

FINANCIAL RESULTS

(Rs. in Crores)

	2009-2010	2008-2009
Gross Income	**380.03**	361.38
Profit before Interest, Depreciation & Taxes	**52.98**	33.66
Less: Interest	**13.97**	14.44
Less: Depreciation	**11.40**	10.11
Provision		
- Current Tax	**9.30**	2.75
- Deferred Tax	**0.08**	0.44
- Wealth Tax	**0.05**	0.06
- Fringe Benefit Tax	**-**	0.40
- Income Tax Previous Year	**-**	0.12
Profit after Tax	**18.18**	5.36
Appropriations		
Dividend – Equity Shares	**3.71**	1.85
Corporate Dividend Tax	**0.62**	0.32
Transfer to General Reserve	**2.00**	0.50

PERFORMANCE OF THE COMPANY

During the year under review, the Company recorded a Gross Income of Rs. 380.03 Crores against Rs 361.38 Crores in the previous year. The operating profit before depreciation and interest has been Rs. 52.98 Crores as against Rs 33.66 Crores in the previous year. After charging Interest of Rs. 13.97 Crores (Rs 14.44 Crores), depreciation of Rs. 11.40 Crores (Rs 10.11 Crores) and providing for tax Rs. 9.43 Crores (Rs 3.76 Crores), the profit after tax for the year remained at Rs.18.18 Crores compared to Rs 5.36 Crore in the previous year, thus showing a healthy growth of 239%.

During the year, your Company achieved significant improvement in its operations. The Company once again managed double digit growth in domestic operations and an overall growth of around 5%. The cost-cutting measures implemented by the Management have helped Company to counter inflationary trend. The same is reflected in the increased profitability during the year. Further, the increased focus on domestic market has started giving results.

Over the years, the Company has graduated from being a small exporter of finished leather to branded shoes. The main reason behind the phenomenal success of the company is high quality standards set by the promoters, its abilities to venture into newer areas and re-invent ourselves with the time. The company focussed on supplying high quality leather and leather products to the overseas markets and gradually became one of the largest exporters of finished leather in the country.

In addition to direct sales to global footwear retailers, the company also has a strong presence in branded segment through three brands namely, Redtape, Oaktrak, Redtape Gal. With a presence in the top European countries and developments in the domestic markets, the company expects its revenues to increase considerably in the future. Our committed team, leadership position, financial strength and our values are the four wheels on which we will move ahead.

DIVIDEND

Considering the improved profitability, your Directors are pleased to recommend a higher dividend of Re. 0.40 (20%) per Equity Share of Rs. 2/- each for the year ended 31st March 2010 as against Re. 0.20 (10%) per Equity Share in the previous year. If approved, the dividend will absorb Rs. 4.33 Crores (including Rs. 0.62 Crores towards dividend tax).

EXPANSION PROGRAMME

In order to cater to the exponential growth emanating simultaneously from the new markets the ambitious expansion programme chalked out by the Company for building large shoe manufacturing capacities at Unnao and Greater Noida in planned phases, will take the present capacity of 4.0 million pairs/annum to 10.0 million pairs/ annum over the next three years. In this direction, the First phase of expansion programme at Unnao has been successfully commissioned in a record time and Company is planning to add production of additional 12 Lakhs pairs of Footwear for Gents and 5 Lakhs pairs for Ladies by the end of ensuing financial year through ongoing expansion of capacities at Unnao and Noida. The company has moved to the next phase by acquiring mass piece of land at Greater Noida. The construction activity has already begun. This ambitious expansion plan is being financed through a mix of internal accruals and borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

Leather Industry occupies a prominent place in the Indian Economy due to its massive potential for employment and exports. The leather sector has been identified as a thrust sector for exports promotion in India. There has been increasing emphasis on its planned development aimed at optimum utilization of available raw-materials for maximizing the returns specially exports. During the past four decades, from the status of exporter of raw hides and semi finished leather, the country has now turned into a major importer of these goods. It is now the major supplier of value added goods like footwear, bags and travel accessories like belts and wallets. Recognizing the importance of leather sector, the government has initiated a number of measures including subsidy schemes aiming at accelerating growth over the coming years and competing with low price economies.

On account of a difficult economic environment and a continued slowdown in the developed world, the export of leather and leather

products for the first nine months of 2009-10 i.e. April-December 2009 dipped to US$ 2763.11 million against the performance of US$ 3139.32 million in the corresponding period of last year, registering a decline of 11.98% in Dollar terms. In rupee terms, the export touched Rs 131937.19 million against the previous year performance of Rs 141718.34 million registering a decline of 6.90%. The exports of leather footwear and footwear components shown a marginal decline of 2.04 % by posting an aggregate turnover of Rs. 56706.10 Million compared to Rs. 57889.21 Million in the previous year period due to sluggish export recovery. India's local currency rating outlook has been raised to positive from stable global crises and is expected that it will resume its high growth path.

Opportunities, Threats, Risks & Concerns

The Cost advantage enjoyed by our Chinese counterpart are no more shackles to the Company's performance thanks to various developments taking place in Chinese economy like increasing wage levels due to shortages of labor, stringent labor and environment laws, acute shortage of power, strengthening of Chinese Yuan which have impacted their costs by nearly 18-20% and have turned out to be positive signs for the Company. The various Incentive Schemes announced by the Govt. is also going to be a backup for the Company in the times to come. However, there are challenges on account of higher commodity prices, high food inflation and rising interest rates, coupled with the lack of infrastructure facilities and the rise of low price economies like Vietnam, Sudan have posed a threat to the Indian players.

Outlook

India's GDP growth has bounced back and is estimated to average 9% in the next decade. Fundamental factors like a young population, a growing middle-class section, rising income level with growing household savings make India's medium to long term growth secure. Our Government has been deligent in its attempts to curb the effects of global slowdown through some well thought out policy reforms and stimulus packages, including additional spending and excise duty cuts. All these have contributed to higher spends and consumptions. Speedy implementation of GST will replace multiple indirect taxes levied on products and would lead to a uniform, simplified and single point taxation. It would help to reduce prices, improve supply chain efficiencies and is expected to increase tax collection.

Segment-wise Performance

The Company's business segment is primarily Shoe Division and Tannery Division. During the year under review, the Shoe Division revenue was Rs. 346.72 Crores and Tannery Division revenue was Rs. 92.70 Crores.

Internal Control System and their Adequacy

The Company has a well established framework of internal control systems, the conformity of which is periodically assessed by Internal Audit and regularly reviewed by the Statutory Auditors and the Audit Committee of the Board. Recommendations, if any, are assessed and implemented, if found necessary.

Risk Management

The Company's Risk Management framework ensures compliance with the provisions of Clause 49 of the Listing Agreement. Senior Management has ownership of key risks, their management and mitigation plans. The Board, through the Audit Committee, headed by a Non-Executive Independent Director, reviews the key risks, the internal control framework and the audit findings.

Human Resources

The company recognizes human resources as its strength and hence welfare activities form an integral part of your Company's strategy for growth. On Industrial Relations front, your company continued to enjoy a cordial and harmonious relations with its employees and Unions. Your company had a staff strength of 1955 employees as on 31st March, 2010.

Corporate Social Responsibility

Corporate Social Responsibility has always been at the heart of the activities of your Company. The Company has been making humble contributions and taking meaningful measures to enrich the socio-economic environment and living standard of the people around especially the backwards and economically weaker sections of the society. As a part of its Corporate Social Responsibility, the Company undertakes a range of initiatives by extending infrastructure support to schools, free medical/ Eye camps etc.

Fixed Deposits

During the year, the Company has not accepted any fixed deposits. No amount on account of principal or interest on deposits was outstanding on the date of the Balance Sheet.

Exports

On the exports front, your Company maintained growth momentum during the year. The total revenues from the exports were Rs. 295.55 Crores as compared to 289.27 Crores during the previous year.

DOMESTIC SALES

Mirza has penetrated into the best of international fashion markets and is today a respected quality statement in its sphere of operations. Company's flagship brand **'REDTAPE'** enjoys customer's admiration and confidence and is one of the highest selling brand in Men's footwear market. Opportunities in Ladies footwear markets are also being explored successfully. Mirza now aims to provide lifestyle fashion solutions for the entire family across the world by foraying into apparels, leather accessories etc. under brand **'REDTAPE'**. The company plans to have 200 exclusive **REDTAPE** stores in India itself by 2011 and will also launch it in France, Poland and Eastern European countries. The company has also launched **REDTAPE** online stores which is getting huge response.

DIRECTORS

As per statute, Mr Tauseef Ahmad Mirza, Mr. Shahid Ahmad Mirza and Dr. Yashveer Singh retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS

M/s Khamesra Bhatia & Mehrotra, Chartered Accountants, Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for the re-appointment.

AUDITORS' REPORT

The notes to the accounts referred in the Auditor's Report are self-explanatory and, therefore, do not call for any further comments on the Auditors' Report under Section 217(3) of the Companies Act, 1956. In respect of observations made by the Auditors in their report, the notes to accounts referred in the Auditors' Report, adequately explain the auditor's observation.

COST AUDIT

As per the Government directives, the Company's Cost records in respect of Footwear for the year ended 31st March, 2010 are being audited by Cost Auditor, Mr. A K Srivastava, Cost Accountant who was appointed by the Board with the approval of Central Government.

PARTICULARS OF EMPLOYEES

A Statement of Particular of employees as specified under Section 217(2A) of the Companies Act, 1956 read with Companies[Particulars of Employees]Rules, 1975 as amended, is set out in the Annexure forming part of the Directors' Report.

CONSERVATION OF ENERGY,TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars as prescribed under section 217(1)(e) of the Companies Act, 1956 read with Companies [Disclosure of Particulars in the report of Board of Directors] Rules, 1988, are set out in Annexure forming part of the Directors' 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, 2010, 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 are reasonable and prudent so as to give a true and fair picture of the state of affairs of the Company at the end of the financial year and of the profit 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 this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv) That the Directors had prepared the annual accounts for the financial year ended 31st March, 2010 on a 'going concern basis.

ACKNOWLEDGEMENTS

Your directors take this opportunity to express their gratitude to the bankers, employees, suppliers and the shareholders and various government departments for their unstinted support and the confidence they have placed in our ability to make MIL a great success.

For and on behalf of the Board

Place : Kanpur
Date : August 06, 2010

IRSHAD MIRZA
Chairman

ANNEXURES 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

Conservation of Energy:

Energy Conservation measures taken during the year:

Energy conservation is an ongoing process and it is constant endeavour of the Company to create awareness and motivate employees to conserve energy at every stage. Cost of energy was considerably reduced by supplies of power from UP Power Corp. Ltd. in place of power generated by own D.G. Sets. The Company has upgraded the power generation and distribution system for long-term energy saving. Old Generators have been replaced by better fuel efficient Generators. Similarly, Coal fired boilers have been installed to replace Diesel fired boilers to save energy cost.

Research and Development (R&D)

The Company has put R&D as an integral part of its production activities. Research and Development Department has been set up in each of the Units of the company to exercise control over Quality and for technical upgradation and innovation. The Company has imported latest technology in Semi Auto Moulding System, to add on quality enhancment of its products and to maintain its consistency. Company aims to cater to the demands of the market place and growing consumer expectations, the continous focus is on creating new designs for Shoe Uppers and Shoes and are consumer centric and backs it with a strong quality assurance process. The Company is accredited with ISO-9001:2000(Quality Management System) and SA-8000:2001(Social Accountability Management System) and equipped with Labs accredited by SATRA Technology Centre (UK) and has been accorded Associate Membership by Footwear Design & Development Institute (Ministry of Commerce & Industry, Government of India).

Technology Absorption, Adaptation and Innovation

The Company develops in-house Technology and is not dependent on any outside Technology/source.

Foreign Exchange Earnings and Outgo

During the year, the foreign exchange earned was Rs. 262.45 Crores mainly on account of exports. The foreign exchange outgo was Rs. 43.52 Crores.

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 FOR THE YEAR ENDED 31ST MARCH, 2010.

Name	Designation	Gross Remuneration (Rs.)	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Years)	Particulars of Previous Employment
Mr. Rashid Ahmed Mirza	Managing Director	88,84,666	Diploma in Leather Technology, London	34	05.09.1979	54	Promoter
Mr. Shahid Ahmad Mirza	Whole-time Director	73,60,494	Diploma in Leather Goods Technology U.K.	31	06.09.1979	53	Promoter
Mr. Tauseef Ahmad Mirza	Whole-time Director	81,66,923	Diploma in Shoe Technology, London	21	06.09.1989	41	Promoter
Mr. Tasneef Ahmad Mirza	Whole-time Director	64,64,357	Degree in Leather Technology, London	13	01.01.1997	38	Promoter
Mr. Shuja Mirza	Vice President (Marketing)	34,33,649	Degree in Management from USA	05	01.10.2004	29	Promoter

Notes:

1. All appointments are on contractual basis except of Mr. Shuja Mirza.
2. Mr. Rashid Ahmed Mirza, Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza, Mr. Tasneef Ahmad Mirza being brothers and Mr. Shuja Mirza being the son of Mr. Rashid Ahmed Mirza are related to each other within the meaning of Companies Act, 1956.
3. Remuneration includes salary and perquisites as per rules of the Company and recorded under Income Tax Act, 1961.

For and on behalf of the Board

Place : Kanpur
Date : August 06, 2010

IRSHAD MIRZA
Chairman

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance

Corporate Governance has indeed been an integral part of the way we have done business and this emanates from our strong belief that strong governance is integral to creating value on a sustainable basis. Company adheres to the prescribed corporate practices as per Clause 49. The Company has a strong legacy of fair, transparent and ethical governance practices.

The Company believes that good Corporate Governance practices enable the management to direct and control the affairs of the Company in an efficient manner and to achieve the goal of maximising value for its stakeholders.

2. Board of Directors:

The Board of Directors of Mirza International Limited presently consists of twelve directors out of which, Six are Non-executive Independent Directors and Six directors are Whole-Time Executive Directors including Chairman & Managing Director of the Company. Mr. Irshad Mirza is a Chairman (Executive) of the Company.

Number of Board Meetings:

During the year, four Meetings of the Board of Directors of the Company were held on May 26, 2009 July 31, 2009 October 28, 2009 and January 25, 2010. The maximum time gap between any two consecutive meetings was not more than 4 months.

Directors Attendance Record and Directorship Held:

The Composition and category of the Directors on Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also number of Directorships and Committee Memberships/ Chairmanships as on 31st March, 2010 are as follows:

Name of Directors	Category of Directorship	No. of Board Meetings Held	No. of Board Meetings Attended	Last A.G.M. Attended	Other Director-Ship	Other Committee	
						Chairman-Ship	Member-Ship
1. Mr. Irshad Mirza	Chairman (Executive)/Promoter	4	4	Y	4	-	1
2. Mr. Rashid A. Mirza	Managing Director/Promoter	4	1	N	2	-	-
3. Mr. Shahid A. Mirza	Executive Director/Promoter	4	2	Y	-	-	-
4. Mr. Tauseef A. Mirza	Executive Director/Promoter	4	3	N	-	-	-
5. Mr. Tasneef A. Mirza	Executive Director/Promoter	4	2	Y	2	-	1
6. Mr. N.P. Upadhyay	Executive Director	4	4	Y	-	-	-
7. Mr. Q.N. Salam	Non-Executive/Independent Director	4	4	Y	-	-	1
8. Mr. Islamul Haq	Non-Executive/Independent Director	4	2	Y	1	-	-
9. Mr. P.N. Kapoor	Non-Executive/Independent Director	4	3	Y	-	1	1
10. Dr. Yashveer Singh	Non-Executive/Independent Director	4	3	N	-	-	-
11. Mr. Subhash Sapra	Non-Executive/Independent Director	4	4	Y	1	-	1
12. Mr. Sudhindra Jain	Non-Executive/Independent Director	4	3	Y	4	1	1

Notes:

1. Mr. Irshad Mirza, Chairman is father of Mr. Rashid Ahmad Mirza, Managing Director, Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza & Mr. Tasneef Ahmad Mirza, whole-time directors of the company.
2. No. of equity shares held by non-executive directors as on 31st March, 2010 are: Mr. Subhash Sapra- 1000; Mr. P.N. Kapoor – Nil; Mr. Islamul Haq – Nil; Mr. Sudhindra Jain – Nil; Mr. Q.N. Salam – Nil; Dr. Yashveer Singh – 1000.
3. For the purpose of the above, directorship in other public limited Companies only are considered.
4. For the purpose of the above, membership / chairmanship in the Audit Committee and Shareholders' Grievance Committee only are considered.

Disclosures regarding appointment/re-appointment of Directors

As per the statute, two-third of the Directors should retire by rotation. One-third of these Directors are required to retire every year and if eligible, they can offer themselves for re-appointment. Accordingly, Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza and Dr. Yashveer Singh, directors of the company will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A brief resume of the Directors to be appointed /eligible for re-appointment is separately in the NOTICE for the Annual General Meeting of the Company.

3. Committees Of The Board:

The Board of Directors has constituted Board-level committees to delegate matters requiring greater and more focussed attention and also for smoother and better administrative convenience and on specific matters, these committees prepare the ground work for decision making and report to the Board. Details on the role and composition of these Committees, including the number of meetings held during the financial year 2009-10 and related attendance, are provided below:

A. Audit Committee

The power, role and terms of reference of the Audit Committee covers the areas as contemplated under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors. The present composition of Audit Committee consists of four directors and Mr. Sudhindra Jain, Independent Director heads the same as Chairman. During the year, the Audit Committee met for four times i.e. on May 26, July 31, October 28, 2009 and January 25, 2010. The requisite Quorum was present at the committee meetings. Mr. D.C. Pandey, Company Secretary and Mr. A. K. Srivastava, Cost Auditor and representative of internal audit team were also present in the aforementioned Audit Committee meetings.The constitution of the committee and attendance at its meetings during the year are as under:

Name of Members	Nature of Directorship in the Company	Total meetings held during the tenure of the member	Meetings attended
Mr. Sudhindra Jain (Chairman)	Independent	4	3
Mr. P.N. Kapoor	Independent	4	3
Mr. Subhash Sapra	Independent	4	4
Mr. Irshad Mirza	Executive	4	4

B. Share Transfer and Investors' Grievance Committee :

The committee looks into the redressing of shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, dividend etc and the action taken by the company. The committee specifically works to assure timely redressal without any pendency. The present composition of the Committee consists of four directors and Mr. P.N. Kapoor, Independent Director heads the Committee as Chairman. During the year, the Committee met for four times on May 26, July 31, October 28, 2009 and January 25, 2010. Twenty five complaints were received from the shareholders, which were replied/ resolved to the satisfaction of the shareholders. The constitution of the committee and attendance at its meetings during the year are as under:

Name of Members	Nature of Directorship in the Company	Total meetings held during the tenure of the member	Meetings attended
Mr. P.N. Kapoor (Chairman)	Independent	4	3
Mr. Sudhindra Jain	Independent	4	3
Mr. Tasneef A. Mirza	Executive	4	2
Mr. Q.N. Salam	Independent	4	4

Mr. D.C. Pandey, Company Secretary of the Company is acting as the Secretary of Share Transfer & Investors' Grievance Committee.

C. Remuneration Committee :

The Remuneration Committee comprising of Independent Directors, recommends to the Board, the compensation terms of Executive Directors and its responsibilities include: a) Framing and implementing on behalf of the Board and on behalf of the shareholders, credible and transparent policy on remuneration of Executive Directors; b) Considering, approving and recommending to the Board the changes in designation and increase in salary of the Executive Directors; c) Ensuring that remuneration policy is good enough to attract, retain and motivate the Directors; d) Bringing about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders. The present composition of the Committee consists of four directors and Mr. Q.N. Salam, Independent Director heads the Committee as Chairman. During the year, the Committee met for two times on May 26, 2009 and January 25, 2010. The constitution of the Committee and attendance at its meetings are as under:

Name of Members	Nature of Directorship in the Company	Total meetings held during the tenure of the member	Meetings attended
Mr. Q.N. Salam (Chairman)	Independent	2	2
Mr. P.N. Kapoor	Independent	2	2
Mr. Subhash Sapra	Independent	2	2
Mr. Islamul Haq	Independent	2	2

4. Remuneration Policy :

The remuneration paid to the executive directors of the company is decided by the board of directors on the recommendation of the remuneration committee. The existing remuneration policy of the company is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice:

A. Non-Executive Directors

Non-Executive Directors are paid sitting fees for attending the meetings of the Board of Directors within the prescribed limits. The Sitting fees paid to them for the year ended 31st March, 2010 is Rs. 1,90,000 detailed as : 1) Mr. Q.N. Salam - Rs. 40,000/-; 2) Mr. P.N. Kapoor - Rs. 30,000/-; 3) Dr. Yashveer Singh - Rs. 30,000/-; 4) Mr. Subhash Sapra - Rs. 40,000/-; 5) Mr. Islam-ul-Haq - Rs. 20,000/-; 6) Mr. Sudhindra Jain - Rs. 30,000/-.

B. Executive Directors

The remuneration committee makes annual appraisal of the performance of the executive directors based on a detailed performance evaluation and recommends the remuneration payable to them, within the parameters approved by the shareholders and the Central Goverment, to the board for their approval. As per terms of appointment, remuneration paid to the Directors during the year and approved by the remuneration committee is as under:

Name of the Directors	Designation	Salary & Perquisites Rs.
Mr. Irshad Mirza	Chairman (Executive)	3,61,345
Mr. Rashid Ahmed Mirza	Managing Director	88,84,666
Mr. Shahid Ahmad Mirza	Whole-time Director	73,60,494
Mr. Tauseef Ahmad Mirza	Whole-time Director	81,66,923
Mr. Tasneef Ahmad Mirza	Whole-time Director	64,64,357
Mr. N.P Upadhyay	Whole-time Director	21,30,387

Mr. Irshad Mirza, Chairman of the Company has not drawn any Salary but has been paid Guarantee Commission of Rs. 56,75,000/- in consideration of extending his personal guarantee for the Credit Facilities enjoyed by the Company from its bankers.

5. General Body Meetings :

The last three Annual General Meetings were held as under:

Year	Date	Type of Meeting	Venue	Time
2006-07	27.09.2007	Annual General Meeting	14/76, Merchants' Chamber of Uttar Pradesh, Kanpur	01:00 P.M.
2007-08	25.09.2008	Annual General Meeting	Auditorium of Council for Leather Exports, Nawabganj, HBTI Campus, Kanpur	11:00 A.M.
2008-09	26.09.2009	Annual General Meeting	Auditorium of Council for Leather Exports, Nawabganj, HBTI Campus, Kanpur	01:00 P.M.

Details of Special Resolution passed in the last three Annual General Meetings is given hereunder

Date of Annual General Meeting	Particulars of Special Resolutions passed in the last Three Annual General Meetings
27th September, 2007	Approval for payment of remuneration to Managing Director & Whole-time Directors upto the limits of Rs. 1.00 Crores per annum.
25th September, 2008	• Appointment of Mr. Irshad Mirza as Chairman (Executive) of the Company for a period of 3 Years w.e.f. 1st October, 2008. • Appointment and remuneration of Mr. Rashid Ahmed Mirza as Managing Director, Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza & Mr. Tasneef Ahmad Mirza as whole-time directors for a period of 3 Years w.e.f. 1st October, 2008 subject to approval of Central Government. • Appointment and remuneration of Mr. N.P. Upadhyay as whole-time director for a period of 3 Years w.e.f. 1st October, 2008.
26th September, 2009	No business requiring Special Resolution was transacted at the AGM.

Details of Resolution Passed Through Postal Ballot Process:

There is no resolution to be passed through postal ballot process at the ensuing Annual General Meeting.

6. Disclosures :

- There are no materially significant transactions made by the company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have a potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in Notes to the Accounts in the Annual Report.
- During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital markets.
- The Company has a Code of Coduct for its Directors and Senior Management Personnel. The Board Members and Senior Management Personnel of the Company affirm compliance with the code.
- The Company has complied with all the mandatory requirements and adopted part of the non-mandatory requirements of Clause 49 of the Listing Agreement.

7. General Shareholders Information

• Annual General Meeting	:	Date	:	29th September, 2010 (Wednesday)
		Time	:	1:00 P.M.
		Venue	:	Auditorium of Council for Leather Exports, HBTI, Nawabganj, Kanpur
• Financial Calendar	:	April - March		
• Board Meetings (Tentative):				
First Quarter Results	:	First week of August, 2010		
Second Quarter Results	:	Fourth week of Oct., 2010		
Third Quarter Results	:	Fourth week of Jan., 2011		
Results for the quarter/year ending on March 31st, 2011	:	Fourth week of May, 2011		
• Book Closure Date	:	From 21st September, 2010 to 29th September, 2010 (Both Days Inclusive)		
• Dividend Payment Date	:	4th October, 2010; Dividend : 0.40 per share (20%)		
• Listing of Equity Shares	:	Bombay Stock Exchange, Mumbai. National Stock Exchange of India Ltd., Mumbai. Uttar Pradesh Stock Exchange Association Ltd., Kanpur		

Stock Code:

Trading Symbol (Physical)	:	**BSE:** 526642, **NSE:** MIRZAINT
Demat ISIN No. in NSDL & CDS(I)L	:	INE771A01026
Corporate Identity Number (CIN)	:	L19129UP1979PLC004821

Annual Listing fees for the year 2010-2011 has been duly paid to all the above Stock Exchanges.

Market Price Data :

	National Stock Exchange			Bombay Stock Exchange		
MONTH	**HIGH**	**LOW**	**TOTAL MONTHLY VOLUME OF SHARES**	**HIGH**	**LOW**	**TOTAL MONTHLY VOLUME OF SHARES**
April' 09	11.35	7.50	22,28,429	11.18	7.60	24,44,766
May' 09	14.85	9.50	34,08,506	14.95	9.61	25,82,333
June' 09	18.15	12.00	26,21,814	18.22	12.25	18,96,852
July' 09	13.60	10.20	11,71,533	13.66	10.46	8,11,661
August.' 09	15.20	12.40	19,39,825	15.19	12.70	12,29,735
September' 09	22.40	13.90	1,44,54,033	22.65	13.90	85,74,532
October' 09	19.60	14.45	31,06,520	19.45	14.75	16,80,077
Novembe' 09	17.10	12.30	1,28,88,386	17.20	13.70	79,86,574
December' 09	17.25	14.50	86,52,273	17.23	14.60	61,84,424
January' 10	18.50	14.70	2,13,86,450	18.50	14.50	1,70,73,470
February' 10	17.40	14.25	76,98,380	18.00	14.55	48,67,361
March' 10	17.00	14.40	38,83,031	16.30	14.40	27,92,060

8. CEO/CFO Certification

In terms of the requirements of Clause 49(V) of the Listing Agreement, the CEO and CFO have submitted necessary certificate to the Board at its meeting held on 22nd May, 2010 stating the particulars specified under the said clause.

9. Means of Communication

- The Quarterly and Annual results are published in widely circulating national & local dailies such as Business Standard and Dainik Aaj (in Hindi). These are not sent individually to the shareholders.
- The Company's results and other related information are displayed on the Company's web site- www.mirza.co.in.
- Management Discussion and Analysis Report forms part of Directors' Report.

10. Registrar & Transfer Agents :

KARVY COMPUTERSHARE PVT. LTD.
17-24, Vittal Rao Nagar, Madhapur
Hyderabad - 500081
Phone: 040-23420815-28
Fax No.: 040-23420814

11. Shareholding Pattern & Distribution Schedule as on 31st March, 2010

Category	Number of shares	Percentage of shares
1. Promoters Holding		
a) Indian Promoters	59806115	64.51
b) Foreign Promoters	1205000	1.30
Sub Total	**61011115**	**65.81**
2. Non Promoters Holding		
a) Mutual Funds & UTI	5500	0.01
b) Banks, FIs, Insurance Cos	36500	0.04
c) FII 's	0	0
Sub Total	**42000**	**0.05**
3. Others		
a) Private Corporate Bodies	7284043	7.86
b) Individual/ HUF	24058178	25.96
c) NRI 's / OCBs	185065	0.20
d) Clearing Members / Trust	125599	0.13
Sub Total	**31652885**	**34.14**
GRAND TOTAL	**92706000**	**100.00**

Note:- 1390065 equity shares, being held by Foreign Promoters / FIIs / NRIs / OCBs / Foreign collaborators and Foreign Nationals representing 1.50 % of share capital.

Distribution Schedule as on 31st March, 2010:

Category		Shareholders		Nominal Value	
From	To	Number	% of cases	Amount (Rs.)	Amount %
1	5000	27406	94.28	28327742	15.28
5001	10000	974	3.35	7517166	4.05
10001	20000	384	1.32	5873420	3.17
20001	30000	106	0.37	2643398	1.43
30001	40000	45	0.16	1603328	0.86
40001	50000	30	0.10	1401798	0.76
50001	100000	49	0.17	3406874	1.84
100001 & Above		74	0.25	134638274	72.62
Total		**29068**	**100.00**	**185412000**	**100.00**

12. Share Transfer System:

Your company is providing facility of common agency for all the work related to share registry in terms of both physical and electronic at a single point by our Registrar & Share Transfer Agent i.e. Karvy Computershare Pvt. Ltd., Hyderabad. Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects.

13. Dematerialisation of shares and liquidity:

The Company's equity shares are included in the list of companies whose scrip have been mandated by Securities Exchange Board of India for settlement only in dematerialised form by all investors. The company has signed agreements with National Securities Depositories Ltd. and Central Depositories Services (India) Ltd to offer depository services to its shareholders. As on 31st March, 2010, a total of 9,13,10,633 out of a total 9,27,06,000 equity shares of the company constituting 98.49 percent of share capital stand dematerialised. The processing activities of De-mat requests are normally confirmed within an average of 15 days.

14. Address for Correspondence:

Shareholders correspondence should be addressed to our Registrar & Share Transfer Agents at the address mentioned above. Contact Persons: **Mr. K Sreedharamurthy, Manager**. Ph. No. 040-23420815-28, Email id.: sreedharamurthy@karvy.com. Shareholders may also contact **Mr. D.C. Pandey, Company Secretary** at the Registered Office of the Company for any assistance Ph. 0512-2530775 Email id: dcpandey@redtapeindia.com.

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

15. Secretarial Audit for reconciliation of Capital:

In compliance of SEBI circular, your Company has engaged Mrs. Savita Jyoti, Practising Company Secretary to certify and conduct audit relating to reconciliation of total capital held in Depositories, viz, NSDL and CDSL and in physical form with the total issued/ paid up capital. The certificate given by her is submitted to the Stock Exchanges where the securities of the Company are listed within 30 days of the end of each quarter. The Company also obtains from a Practising Company Secretary half yearly certificate of compliance as required under Clause 47 (c) of Listing Agreement and files the same immediately with Stock Exchanges.

16. Outstanding GDRs /ADRs / Warrants or any convertible instruments conversion date and likely impact on equity: Not applicable

17. Works Locations of the Company:

- Kanpur- Unnao Link Road, Magarwara, Unnao- 209 801
- Kanpur-Unnao Link Road, Shajani, Unnao- 209 801
- Plot No. C-4, 5, 36 & 37, Sector-59, NOIDA-201 303
- UPSIDC Industrial Area , Site II, Unnao- 209 801

18. Unpaid Dividend :

Pursuant to Section 205C of the Companies Act, 1956, the company had transferred unpaid dividend relating to the 2001-02 to the Investor Education & Protection Fund of the Central Government during the year.

19. Electronic Clearing Service:

The Company has availed ECS facility for distribution of dividend to the shareholders.

DECLARATION

As per Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct of the Company for the financial year 2009-10.

Place : Kanpur
Date : May 22, 2010

RASHID AHMED MIRZA
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Board of Directors,
Mirza International Limited.

We have examined the compliance of conditions of Corporate Governance by Mirza International Limited ("the Company") for the year ended on 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the company with the Stock Exchanges.
The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
We state that no investor grievance is pending for a period exceeding one month as per the records maintained by the Share Transfer and investor grievance committee.
We further state that such compliance is neither an assurance to future viability of the Company nor efficiency of effectiveness with which Management has conducted affairs of the Company.

For Khamesra Bhatia & Mehrotra
Chartered Accountants

Place: Kanpur
Date : May 22, 2010

ANAND SAXENA
Partner
M. No. 75801

AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of M/S MIRZA INTERNATIONAL LIMITED [formerly known as MIRZA TANNERS LIMITED] as at March 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

2. As required by the Companies (Auditor's Report) Order, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956. we annex hereto a statement on the matters specified in the said Order.

3. Further to our comments in the Annexure referred to in paragraph (2) above, we report that:

   (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

   (b) In our opinion, proper Books of Accounts as required by law, have been kept by the Company, so far it appears from the examination of the said books.

   (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Accounts.

   (d) In our opinion, the Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

   (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act. 1956 as on 31st March 2010.

   (f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with and subject to the notes thereon, give the information required by the Companies Act, 1956, in

   (g) the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

      i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and;

      ii) In the case of the Profit and Loss Account of the Company of the profit of the Company for the year ended on that date.

      iii) In case of Cash Flow statement of the cash flows for the year ended on that date.

For Khamesra Bhatia & Mehrotra
Chartered Accountants

ANAND SAXENA
Partner
M.No. 075801

Place : Kanpur
Date : 22.05.2010

Annexure to the Auditors' Report

Referred to in paragraph 2 of our report of even date,

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 that

(i) (a) The Company has maintained proper books / records to show full particulars including quantitative details and situations of its fixed assets.

(b) All the assets of the company have been physically verified by the management during the year and a regular program of verification by rotation is in force, which, in our opinion is reasonable having regard to the size of the company.

(c) Fixed assets disposed off during the year were not substantial and such sale has not affected the going concern of the company.

(ii) (a) Inventory has been physically verified by the management. In our opinion, frequency of verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) The company has neither granted nor taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. Consequently, paragraph 4 (iii) (a), (b), (c), (d), (e), (f), (g) of the Companies (Auditor's Report) Order 2003 are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course our audit, we have not observed any continuing failure to correct major weakness in internal controls.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act 1956 are made at prices which are reasonable having regard to prevailing market prices at the relevant time.

(vi) In our opinion and according to the information and explanations given to us, company has not accepted any Public Deposits during the year.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of accounts relating to materials, labour, and other items of cost maintained by the Company pursuant to the rules made by the Central Government, for the maintenance of cost records under clause (d) of subsection (1) of section 209 of the Companies Act,1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(ix) (a) According to information & explanations given to us and the records of the company examined by us, in our opinion, the company is generally 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 and cess and other material statutory dues applicable to it with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the company examined by us, in our opinion, no undisputed amounts payable in respect of provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess were in arrears, as at 31st March 2010 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and the records of the company examined by us, in our opinion, no undisputed amount payable in respect of provident fund, investor education protection fund, employees' state insurance, income Tax, sales Tax, wealth Tax, service tax, Custom Duty Excise Duty and cess, which have not been deposited on account of any dispute. However in case of sales tax and income tax, demands aggregating Rs.1184.05 lacs have not been deposited on account of disputes as detailed below:

Related to	Authority where Case is pending	Financial Year	Disputed Amount (Rs. in Lacs)
EntryTax/ Trade Tax	Hon'ble Allahabad High Court	1999-2000, 2000-2001, 2003-04, 2004-05 2005-06 2006-07	40.90
Commercial/ Trade Tax	Hon'ble Allahabad High Court	2007-2008	24.55
Income Tax	CIT (Appeals).	1999-2000, 2000-2001, 2001-2002, 2002-2003, 2004-2005 & 2005-2006	924.04
Income Tax	Application Pending u/s 154	2003-2004	194.56
		Total	**1184.05**

(x) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xi) The company has not defaulted in repayment of dues to financial institution, bank or debenture holders.

(xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to information and explanations given to us the company is not a chit fund or a nidhi or mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the order are not applicable to the company.

(xiv) According to information and explanations given to us the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the order are not applicable to the company.

(xv) On the basis of records examined by us and information provided by the management, we are of the opinion that the company has not given guarantees for loans taken by others from banks or financial institutions.

(xvi) In our opinion, the term loan raised by the company during the year has been applied for the purpose for which it was raised.

(xvii) On an overall examination of Balance Sheet and Cash Flows of the Company, we report that the Company has used funds raised on short term basis to the extent of Rs. 310.67 lacs, for long term purpose.

(xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act, during the year.

(xix) The Company has not issued any debentures during the year. Therefore provisions of Clause 4(xix) of the order are not applicable to the company.

(xx) The company has not raised any money from the public during the year under audit.

(xxi) One incident involving fraudulent withdrawl of Rs. 0.80 lacs from the Company's bank account using forged cheque and signature was noticed by the management during the year and has been appropriately incorporated in the accounts.

For Khamesra Bhatia & Mehrotra
Chartered Accountants

ANAND SAXENA
Partner
M.No. 075801

Place : Kanpur
Date : 22.05.2010

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	2010 Rs.	2009 Rs.
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	1	**18,54,12,000**	18,54,12,000
Reserves and Surplus	2	**1,25,90,24,510**	99,74,39,403
		1,44,44,36,510	1,18,28,51,403
Deferred Tax	3	**17,30,00,000**	17,22,00,000
Loan Funds			
Secured Loans	4	**1,04,26,73,967**	1,16,03,58,197
		1,04,26,73,967	1,16,03,58,197
Total		**2,66,01,10,477**	2,51,54,09,600
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		**2,44,28,32,545**	2,27,91,20,064
Less: Depreciation		**76,22,26,437**	66,16,71,197
Net Block		**1,68,06,06,108**	1,61,74,48,867
Capital Work in Progress		**5,15,02,271**	5,66,06,396
		1,73,21,08,379	1,67,40,55,263
Investments	6	**90,04,208**	90,04,208
Current Assets, Loans and Advances			
Inventories	7	**79,17,74,460**	83,46,83,074
Sundry Debtors	8	**32,52,07,870**	24,75,12,630
Cash and Bank Balances	9	**1,64,04,040**	2,18,40,461
Other Current Assets	10	**17,81,43,545**	16,18,05,550
Loans and Advances	11	**6,86,00,469**	7,47,67,264
		1,38,01,30,384	1,34,06,08,979
***Less* : Current Liabilities and Provisions**			
Current Liabilities	12A	**37,53,85,711**	45,03,17,877
Provisions	12B	**8,57,46,783**	5,79,40,973
Net Current Assets		**91,89,97,890**	83,23,50,129
Total		**2,66,01,10,477**	2,51,54,09,600
Significant Accounting Policies	19		
Contingent Liabilities & Notes	20		
Balance Sheet Abstract and Company Profile	21		

The schedules referred to above form an integral part of the accounts.
This is the Balance Sheet referred to in our report of even date attached.

For Khamesra Bhatia & Mehrotra
Chartered Accountants

IRSHAD MIRZA
Chairman

RASHID AHMED MIRZA
Managing Director

N.P. UPADHYAY
TASNEEF AHMAD MIRZA
SHAHID AHMAD MIRZA
SUBHASH SAPRA
Q.N. SALAM
P.N. KAPOOR
YASHVEER SINGH
ISLAMUL HAQ
SUDHINDRA JAIN
Directors

Anand Saxena
Partner
M.No. 075801

D.C. PANDEY
G.M. (Accounts) &
Company Secretary

Place : Kanpur
Date : May 22, 2010

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

	Schedule	2010 Rs.	2009 Rs.
INCOME			
Income from Operations	13	**3,78,89,30,632**	3,61,02,60,669
Other Income/(Loss)	14	**1,13,75,551**	35,02,677
		3,80,03,06,183	3,61,37,63,346
EXPENDITURE			
(Increase)/Decrease in Stock	15	**4,55,76,707**	(86,41,487)
Materials Consumed	16	**2,19,29,44,678**	2,08,98,62,222
Other Expenses	17	**1,03,20,28,840**	1,19,57,97,075
Interest	18	**13,96,81,014**	14,43,90,995
Depreciation		**11,40,01,792**	10,11,32,281
		3,52,42,33,031	3,52,25,41,086
Profit Before Tax		**27,60,73,152**	9,12,22,260
Provision for Taxation - Current		**9,30,00,000**	2,75,00,000
Provision for Taxation - Deferred		**8,00,000**	44,00,000
Provision for Taxation - Wealth Tax		**5,22,940**	5,68,815
Provision of Taxation -Fringe Benefit		**0**	40,00,000
Income Tax (Previous Year)		**0**	11,77,259
Profit After Tax		**18,17,50,212**	5,35,76,186
Prior Year Adjustment			
Deferred Tax		**60,76,308**	0
Surplus From Last Year		**48,88,16,021**	46,19,32,112
Amount Available for Appropriation		**67,66,42,541**	51,55,08,298
APPROPRIATIONS			
Transfer to General Reserve		**2,00,00,000**	50,00,000
Dividend on Equity Shares		**3,70,82,400**	1,85,41,200
Dividend Tax		**61,58,923**	31,51,077
Balance carried to Balance Sheet		**61,34,01,218**	48,88,16,021
		67,66,42,541	51,55,08,298
Earning Per Share (Refer Note F of Part II of Schedule 21)		**1.96**	0.58
Significant Accounting Policies	19		
Contingent Liabilities & Notes	20		
Balance Sheet Abstract and Company Profile	21		

The schedules referred to above form an integral part of the accounts.
This is the Profit & Loss Account referred to in our report of even date attached.

For Khamesra Bhatia & Mehrotra
Chartered Accountants

IRSHAD MIRZA
Chairman

RASHID AHMED MIRZA
Managing Director

N.P. UPADHYAY
TASNEEF AHMAD MIRZA
SHAHID AHMAD MIRZA
SUBHASH SAPRA
Q.N. SALAM
P.N. KAPOOR
YASHVEER SINGH
ISLAMUL HAQ
SUDHINDRA JAIN
Directors

Anand Saxena
Partner
M.No. 075801

D.C. PANDEY
G.M. (Accounts) &
Company Secretary

Place : Kanpur
Date : May 22, 2010

	2010 Rs.	2009 Rs.
Schedule 1 : SHARE CAPITAL		
Authorised		
22,50,00,000 (22,50,00,000). Equity Shares of Rs. 2/- each	**45,00,00,000**	45,00,00,000
	45,00,00,000	45,00,00,000
Issued, Subscribed & Paid Up :		
9,27,06,000 (9,27,06,000). Equity Shares of Rs. 2/- each fully paid up	**18,54,12,000**	18,54,12,000
	18,54,12,000	18,54,12,000

Notes :

Out of 9,27,06,000 Equity Shares of Rs. 2/- each above

1. 9400 Equity Shares of Rs.100/- each issued for consideration other than cash on 04.10.1979
2. Equity Shares of Rs.100/- each subdivided into 10 equity shares of Rs.10/- each vide resolution passed in Extra Ordinary General Meeting held on 30.11.1992
3. 10,20,000 equity shares of Rs.10/- each issued under a Public issue on 24.11.1994
4. 1,50,59,200 Equity shares issued as bonus shares by capitalisation of reserves on 04.11.1992, 25.08.1993, 15.02.1997 and 08.04.2000
5. 22,50,000 equity shares of Rs.10/- each issued to shareholders of erstwhile Leather Trends Pvt Ltd. pursuant to Scheme of Amalgamation.
6. Composition of Authorised Capital of the Company was changed by converting 20,00,000 Preference shares of Rs. 100/- each and 2,50,00,000 Equity shares of Rs. 10/- each into 22,50,00,000 (Twenty two crore fifty lacs) equity shares of Rs. 2/- each vide resolution passed in the extra ordinary general meeting held on 29.03.2007

Schedule 2 : RESERVES & SURPLUS		
General Reserve		
As per Last Balance Sheet	**61,24,68,042**	60,74,68,042
Add : Transferred from P&L Account	**2,00,00,000**	50,00,000
	63,24,68,042	61,24,68,042
Share Premium Account		
Gross Premium	**5,17,650**	5,17,650
Less : Calls in Arrears	**(51,101)**	(1,06,301)
	4,66,549	4,11,349
Tannery Modernisation Scheme Subsidy		
As per Last Balance Sheet	**97,21,958**	1,03,15,747
Less: Transferred to Profit & Loss Account	**(5,93,789)**	(5,93,789)
	91,28,169	97,21,958
Foreign Currency Translation Reserve		
As per Last Balance Sheet	**24,69,752**	31,06,952
Less: Fluctuation in Foreign Investment	**0**	(6,37,200)
	24,69,752	24,69,752
Hedging Reserve		
As per Last Balance Sheet	**(11,64,47,719)**	-
Additions during the year (Net)	**11,75,38,499**	(11,64,47,719)
	11,90,780	(11,64,47,719)
Profit and Loss Account		
Balance as per Profit & Loss Account	**61,34,01,218**	48,88,16,021
	1,25,90,24,510	99,74,39,403
Schedule 3 : DEFERRED TAX		
A. Liabilities:		
Depreciation	**18,58,59,000**	18,23,59,000
B Assets:		
Expenses allowable for Tax when paid	**1,28,59,000**	1,01,59,000
Deferred Tax (A-B)	**17,30,00,000**	17,22,00,000
Schedule 4 : SECURED LOANS		
From Bank:		
(The Loans are secured by hypothecation of all the stocks & current assets of the company and are further collaterally secured by a first charge on the fixed assets at Head Office and Factories at Magarwara, Sahajani and Noida guaranteed by some of the directors of the Company)		
Term Loans including a Medium Term Corporate Loan	**38,37,30,830**	52,69,89,954
Export Packing Credit	**61,78,71,944**	54,42,76,350
Cash Credit	**4,10,71,193**	3,86,25,620
Working Capital Demand Loan	**0**	5,04,66,273
	1,04,26,73,967	1,16,03,58,197

Schedule 5 : FIXED ASSETS

PARTICULARS	GROSS BLOCK (Rs.)				DEPRECIATION (Rs.)				NET BLOCK (Rs.)	
	As on 01.04.2009	Additions during the year	Deduction/ Sale	**As on 31.03.2010**	Up to 31.03.2009	For the year	Deduction/ Sale	**Up to 31.03.2010**	**As on 31.03.2010**	As on 31.03.2009
Land & Development (Free Hold)	3,52,64,390	134,240	1,43,28,978	**2,10,69,652**	0	0	0	**0**	**2,10,69,652**	3,52,64,390
Land & Development (Lease Hold)	26,03,51,575	2,29,32,260	0	**28,32,83,835**	0	0	0	**0**	**28,32,83,835**	26,03,51,575
Buildings	39,68,87,400	4,29,41,940	0	**43,98,29,340**	8,13,18,482	1,28,36,476		**9,41,54,958**	**34,56,74,382**	31,55,68,918
Machinery	1,11,34,07,805	7,50,92,294	1,89,29,492	**1,16,95,70,607**	36,42,11,048	5,44,25,617	80,14,420	**41,06,22,245**	**75,89,48,362**	74,91,96,756
Effluent Treatment Plant	46,61,298	0	0	**46,61,298**	27,37,262	2,21,412		**29,58,674**	**17,02,624**	19,24,036
Tools & Shoe Lasts	17,41,66,291	1,86,62,121	0	**19,28,28,412**	6,11,92,808	2,63,90,786		**8,75,83,594**	**10,52,44,818**	11,29,73,483
Furniture, Fittings & Electrical Instalation	13,83,76,517	2,72,03,583	51,06,494	**16,04,73,606**	5,93,74,275	95,42,354	5,04,207	**6,84,12,422**	**9,20,61,184**	7,90,02,242
Motor Vehicles	5,66,75,690	1,41,59,475	1,04,48,953	**6,03,86,212**	1,58,27,359	56,43,397	49,10,054	**1,65,60,702**	**4,38,25,510**	4,08,48,331
Computors	8,07,67,154	93,70,379	1,20,277	**9,00,17,256**	7,38,94,566	49,41,750	17,871	**7,88,18,445**	**1,11,98,811**	68,72,588
UNIT-4										
Land & Development	1,08,54,894	21,50,383	0	**1,30,05,277**	0	0	0	**0**	**1,30,05,277**	1,08,54,894
Building	60,30,461	0	0	**60,30,461**	18,88,432	0	0	**18,88,432**	**41,42,029**	41,42,029
Electrical Installation	16,76,589	0	0	**16,76,589**	12,26,965	0	0	**12,26,965**	**4,49,624**	4,49,624
Grand Total:	2,27,91,20,064	21,26,46,675	4,89,34,194	**2,44,28,32,545**	66,16,71,197	11,40,01,792	1,34,46,552	**76,22,26,437**	**1,68,06,06,108**	1,61,74,48,867
Figures for the previous year Rs.	(1,80,83,66,988)	(49,89,62,381)	(2,82,09,305)	(2,27,91,20,064)	(56,62,47,568)	(10,11,32,281)	(57,08,652)	(66,16,71,197)	(1,61,74,48,867)	(1,24,21,19,420)

	2010	2009
CAPITAL WORK IN PROGRESS	**5,15,02,271**	5,66,06,396

Opening and Closing Balances have been regrouped wherever necessary.

* The Company closed Unit-4 at Noida in April 2008. Consequently no depreciation has been charged on Unit-4 assets for the current year.

In the opinion of the management, the market value of assets of Unit-4 is in excess of book value. Since there is no overall impairment in value consequent to closure, no provision has been deemed necessary.

* Addition in the Land & Development of Unit-4 of Rs. 21.50 lacs is towards one time lease payment to Noida Authority

		2010 Rs.	2009 Rs.
Schedule 6 : INVESTMENTS			
TRADE INVESTMENTS [(Unquoted) valued at cost] LONG TERM			
900 (900) Equity Shares of GBP 100 each in Mirza UK Ltd. (Formerly known as MCF Trading (UK) Ltd.)		**65,30,400**	65,30,400
240000 (240000) Equity Shares of Rs. 10/- each in Industrial Infrastructure Services (India) Ltd.		**24,00,000**	24,00,000
Aggregate value of unquoted Investment (at cost)		**89,30,400**	89,30,400
NON TRADE INVESTMENTS Quoted (Valued at cost) - LONG TERM			
QUOTED:-			
2000 (2000) Shares of J.P. Associates Ltd. of Rs. 2/- each fully Paid up		**27,283**	27,283
500 (500) Shares of Sarup Tannery Ltd. of Rs.10/- each fully Paid up		**30,900**	30,900
150 (150) Shares of Super House Ltd. Rs.10/- each fully Paid up		**9,425**	9,425
1000 (1000) Shares of Super Tannery Ltd. of Rs. 2/- each fully Paid up		**6,200**	6,200
		73,808	73,808
TOTAL INVESTMENTS		**90,04,208**	90,04,208
Aggregate Market Value of Quoted Investments.		**3,33,323**	1,92,625
Schedule 7 : INVENTORIES			
Stores & Spares		**2,17,10,815**	1,92,77,631
Raw Materials		**29,33,74,589**	29,59,81,475
Work in Progress		**21,34,36,193**	26,28,06,140
Finished Goods		**24,57,54,201**	24,19,60,961
Excise Duty on Finished Goods		**54,89,794**	59,78,591
Modvat Credit Receivable		**1,20,08,868**	86,78,276
		79,17,74,460	83,46,83,074
Schedule 8 : SUNDRY DEBTORS			
(Unsecured Considered Good)			
Over Six Months		**3,81,67,276**	6,62,73,005
Others		**28,70,40,594**	18,12,39,625
		32,52,07,870	24,75,12,630
Schedule 9 : CASH & BANK BALANCES			
Cash in Hand		**16,18,685**	16,10,540
Balances with Scheduled Banks			
Current Accounts		**81,08,155**	1,39,28,421
Deposit Accounts		**66,77,200**	63,01,500
		1,64,04,040	2,18,40,461
Schedule 10 : OTHER CURRENT ASSETS			
Accrued Interest		**51,557**	52,923
Duty Draw Back Receivable		**3,10,45,827**	1,49,77,991
Income Tax (Net of Provisions)			
Tax Payment	**57,15,56,440**		
Tax Provision	**48,95,33,380**	**8,20,23,060**	9,33,88,375
Duty Entitlement Pass Book		**28,97,533**	44,941
Incentive Receivable		**5,36,30,568**	4,06,40,320
Due from Banker		**84,95,000**	1,27,01,000
		17,81,43,545	16,18,05,550
Schedule 11 : LOANS AND ADVANCES			
(Unsecured Considered Good)			
Advances recoverable in cash or in kind or for value to be received		**5,32,48,600**	6,07,70,806
Security Deposit		**1,53,51,869**	1,39,96,458
		6,86,00,469	7,47,67,264

	2010 Rs.	2009 Rs.
Schedule 12 : CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Sundry Creditors	**24,77,52,686**	20,19,53,784
Outstanding Liabilities	**12,49,67,425**	12,79,03,287
Notional dues to bankers (net of taxes) on account of outstanding forward contracts	**(10,90,780)**	11,64,47,719
Unclaimed Dividend	**37,56,380**	40,13,087
	37,53,85,711	45,03,17,877
B. Provisions		
Provision for Gratuity	**3,65,43,166**	2,98,71,091
Audit Fee	**4,72,500**	3,99,015
Proposed Dividend	**3,70,82,400**	1,85,41,200
Tax on Dividend	**61,58,923**	31,51,076
Excise Duty on Finished Goods	**54,89,794**	59,78,591
	8,57,46,783	5,79,40,973
Schedule 13 : INCOME FROM OPERATIONS		
Export Sales	**2,64,05,44,489**	2,60,65,70,322
Inland Sales (less Excise Duty Rs. 60,37,274, Previous Year 3,68,29,537)	**83,34,11,719**	71,77,06,596
Export Incentive	**31,49,74,424**	28,59,83,751
	3,78,89,30,632	3,61,02,60,669
Schedule 14 : OTHER INCOME		
Interest Income	**83,68,580**	1,22,242
Dividend from Non Trade Investments	**1,860**	1,650
Other Income	**30,05,111**	33,78,785
	1,13,75,551	35,02,677
Schedule 15 : (INCREASE)/DECREASE IN STOCKS		
Closing Stock		
Finished Goods	**24,57,54,201**	24,19,60,961
Work In Progress	**21,34,36,193**	26,28,06,140
	45,91,90,394	50,47,67,101
Opening Stock		
Finished Goods	**24,19,60,961**	31,33,04,578
Work in Progress	**26,28,06,140**	18,28,21,036
	50,47,67,101	49,61,25,614
(Increase)/Decrease in Stock	**4,55,76,707**	(86,41,487)

Schedule 16 : MATERIAL CONSUMED

FOR THE YEAR ENDED 31ST MARCH, 2010

	Opening Stock (Rs.)	Purchases (Rs.)	Closing Stock (Rs.)	Consumption (Rs.)
A. Raw Materials				
Hides & Finished Leather	**6,45,98,078**	**38,79,39,187**	**4,95,39,410**	**40,29,97,855**
	(16,13,48,344)	(44,94,64,323)	(6,45,98,078)	(54,62,14,589)
Purchase of Finished Goods	**0**	**85,83,69,219**	**0**	**85,83,69,219**
	(-)	(72,62,76,208)	(-)	(72,62,76,208)
Chemicals	**4,01,84,526**	**25,71,19,527**	**4,05,38,344**	**25,67,65,709**
	(4,54,48,468)	(24,69,23,425)	(4,01,84,526)	(25,21,87,367)
Others	**19,10,95,919**	**66,65,94,026**	**20,19,61,538**	**65,57,28,407**
	(15,97,23,376)	(57,56,57,009)	(19,10,95,919)	(54,42,84,466)
Total :	**29,58,78,523**	**2,17,00,21,959**	**29,20,39,292**	**2,17,38,61,190**
	(36,65,20,188)	(1,99,83,20,965)	(29,58,78,523)	(2,06,89,62,630)
B. Stores & Spares				
Stores & Spares	**1,73,60,729**	**2,16,01,709**	**1,98,78,950**	**1,90,83,488**
	(1,35,29,657)	(2,47,30,664)	(1,73,60,729)	(2,08,99,592)
Total (A+B)	**31,32,39,252**	**2,19,16,23,668**	**31,19,18,242**	**2,19,29,44,678**
	(38,00,49,845)	(2,02,30,51,629)	(31,32,39,252)	(2,08,98,62,222)

		2010 Rs.		2009 Rs.
Schedule 17 : OTHER EXPENSES				
Salaries, Wages & Bonus		**18,00,09,736**		17,13,70,688
Contribution to Provident and Other Funds		**1,02,46,730**		92,61,761
Workman & Staff Welfare Expenses		**1,31,28,499**		1,22,91,894
Provision / Payment For E.S.I.		**39,20,090**		30,39,242
Gratuity		**88,55,806**		55,65,349
Rent, Rates & Taxes		**1,70,42,797**		1,58,10,360
Printing & Stationery		**53,35,523**		56,40,453
Travelling Expenses		**1,76,61,515**		1,78,59,036
Telephone & Telex		**89,78,007**		82,24,480
Processing Charges Paid		**25,68,58,069**		23,80,90,172
Repairs & Maintenance				
(a) Plant & Machinery	**52,07,980**		44,11,328	
(b) Building	**84,85,625**		53,85,114	
(c) Others	**1,30,52,958**	**2,67,46,563**	1,02,31,887	2,00,28,329
Power & Fuel		**10,37,36,802**		11,99,82,664
Insurance		**1,27,61,708**		1,10,92,699
Legal & Professional Charges		**64,96,254**		91,01,881
Vehicle Running & Maintenance		**2,07,15,831**		1,97,82,916
Security Expenses		**85,09,148**		76,82,864
Freight & Transport		**9,26,42,439**		11,99,33,349
Advertisement & Sales Promotion		**5,07,44,555**		5,28,45,817
Commission to Selling agents		**9,90,51,526**		7,89,92,744
Foreign Exchange Fluctuation		**6,02,91,694**		24,96,60,427
Postage & Courier		**1,15,80,933**		105,82,361
Donation & Subscription		**47,99,573**		23,46,007
Audit Fees		**5,25,000**		4,50,000
Miscellaneous Expenses		**1,68,901**		23,65,836
Loss / (Profit) on sale of fixed assets (Net)		**1,12,21,141**		37,94,346
Loss on Sale of Investment		**0**		1,400
		1,03,20,28,840		1,19,57,97,075
Schedule 18 : INTEREST				
On Term Loan		**3,78,47,257**		2,51,35,997
On Working Capital & Other Charges		**10,18,33,757**		11,92,54,998
		13,96,81,014		14,43,90,995

Schedule 19 : SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of Accounting

(i) The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 and other pronouncements of the Institute of Chartered Accountants of India (ICAI), and the relevant provisions of the companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India, to the extent applicable .

(ii) The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual result could differ from those estimates. Any revision to financial estimates is recognized prospectively in the financial statements when revised.

(2) Fixed Assets

(i) Fixed assets of the Company are valued at cost which include allocation / apportionment of direct and indirect expenses incurred in relation to such fixed assets. The said cost is not reduced by specific Grants/ subsidy received against the assets.

(ii) Leased Assets under finance lease are capitalised.

(3) Depreciation

Depreciation on fixed assets including assets acquired on lease is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

(4) Borrowing Cost

(a) Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of such assets. Borrowing costs comprise of interest and other costs incurred in connection with borrowing of funds.

(5) Leased Assets

a) Leasehold land is capitalised and treated at par with freehold land.

b) Assets acquired under finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payment at the inception of the leased term and disclosed as leased assets. lease payments are apportioned between the finance charges and the reduction of the leased liability so as to achieve a constant rate of interest on the remaining balance of the liability.

(6) Investments

Long term investments are valued at cost. The Cost of Investments made in Foreign Currency is translated at rates prevailing on the Balance Sheet date unless temporary in nature and gain/loss if any is accumulated in Foreign Currency Translation Reserve.
Diminution in the value of Long Term Investments is recognized only if the same is, in the opinion of the management, of a permanent nature.

(7) Inventories

Inventories are valued at the lower of Historic cost or the Net Realisable Value. Costs are determined as under :

a.	**Bought Out Items**	:	On First in First Out (FIFO) method except raw hides (valued at six months average purchase price incase of Indigenous hides and full year weighted average price in case of imported hides). In respect of bought out items where CENVAT CREDIT is permitted excise duty is excluded from purchase price for determining the cost.
b.	**Goods In Process**	:	At cost plus estimated value addition/cost of conversion at each major stage of production.
c.	**Finished Goods**	:	At direct cost plus allocation of all overheads (including interest on working capital) other than Marketing, Selling & Distribution Expenses and Interest on Term Loan / Debentures.

(8) Foreign Currency Transactions

All foreign Currency transaction of purchase and sales are recorded at exchange rate prevailing on the date of the transaction. The difference between the rate prevailing on the date of the transaction and on the date of settlement as also on translation of Current Assets and Current Liabilities at the end of the year is recognised as Income or expense as the case may be.

(9) Derivative instruments and hedge acccounting

The Company uses foreign exchange forward contracts and options to hedge its exposure to movements in foreign exchange rates. These foreign exchange forward contracts and options are not used for trading or speculation purposes. The accounting policies for forwards contracts and options are based on whether they meet the criteria for designation as effective cash flow hedges. To designate a forward contract of option as an effective cash flow hedge, the Company objectivly evaluates with appropriate supporting documentation at the inception of the each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. Effective hedge is generally measured by comparing the cumulative change in the fair value of the hedge contract with a cumulative change in the fair value of the hedged item.

For forward contracts of options that are designated as effective cash flow hedges, the gain or loss from the effective portion of the hedge is recorded and reported directly in the shareholders' fund (under the head "Hedging Reserve") and are reclassified into the profit and loss account upon the occurrence of the hedged transactions. The gain/loss on options designated as effective Cash Flow hedges are included along with the underlying hedged forecasted transactions.The Company recognises gains or losses from change in fair values of forward contracts and options that are not designated as effective cash flow hedge for accounting purposes in the profit and loss account in the period the fair value changes occur.

(10) Receivables

Receivables are disclosed at Indian currency equivalent of actually invoiced values. Receivables covered by bills of exchange purchased by the Company's bankers are neither shown as assets nor liabilities. Contingent liability in the event of non payment of the same is reflected in the Notes to the Accounts.

(11) Employee Benefits

The Company makes regular contributions to Provident Fund and these are charged to revenue. The liability of the Company for gratuity is actuarially valued at each year end and based on such year end valuation, the liability for gratuity is provided in the books of the Company. The company, as a policy, doesn't encourage accumulation of earned leave and discharges its liability on a year to year basis.

(12) Income Tax

Provision for Income Tax comprises of Current Tax, i.e tax on the taxable income computed for the year as per Tax laws and the net change in the deferred tax assets / liability of the company during the current year. Deferred tax assets / liabilities are recognised on the basis of timing difference in Tax treatment of Revenue Item. The timing differences are subjected to the extant provision of law and enacted tax rates in force to determine the Deferred Tax Asset / liability. While a deferred tax liability is recognised when computed, the management exercises prudence and conservatism while recognising deferred Tax Assets.

(13) Earnings Per Share

Earnings 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.

(14) Contingent Losses/ Liabilities

Contingent losses & / or consequential contingent liabilities are disclosed in the notes to the accounts, where the company is reasonably assured that no loss / liability will arise but where the possibility of a loss/ liability does exist.

(15) Events Occurring after the Balance Sheet date

It is the Company's Policy to take in to the account the impact of any significant event that occurs after the Balance Sheet date but before the finalisation of accounts.

(16) Government Grants

Government Grants in respect of Fixed Assets are accounted for as deferred Income by crediting the same to a specific reserve. The reserve to these Grants is diminished every year by a prorata portion of the depreciation of the assets, to amortise the grant over due life of the assets. Where the Grants carry conditions of specific performance, the contingent aspect is disclosed in due notes to the accounts.

(17) Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. (Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.)

Schedule 20 : CONTINGENT LIABILITIES & NOTES

I. Contingent Liabilities

a) Bills discounted with the Company's bankers- Rs. 7760 Lacs (Rs.7681 Lacs).

b) Import duty payable in case of non-fulfillment of export obligation under EPCG Scheme (not yet due) - Rs. 98 Lacs (Rs. 3 Lacs).

c) Bank guarantees / LCs issued by the Company's bankers outstanding at the balance sheet date - Rs .110 Lacs (Rs. 7 Lacs).

d) Labour cases of 158 employees are pending in various courts – Amount indeterminate. However 5 (3) cases pending at industrial Tribunal – II Lucknow amount indeterminate. One case pending at labour court Kanpur - Amount indeterminate.

e) Deficiency in stamp duty demanded by state revenue authorities for purchase of land at Hapur - Rs. 44.05 Lacs. Out of this the company has deposited Rs 14.67 Lacs as per Interim order of Hon'ble Allahabad High Court. The court remanded the case to the collector stamps, Ghaziabad with the instruction to pass fresh order for releasing Rs.14.67 Lacs deposited by the company. The case is now pending with Asst. Commissioner stamps, Ghaziabad.

f) Counter guarantee given by the Company to its directors against their guarantee given to bank – Rs.227 Crores (197 Crores).

g) Demands raised by the authorities contested at various levels:-

i) Entry tax – Rs. 65.45 Lacs (Rs. 37.55 Lacs)

ii) Income tax – Rs. 1118.60 (Rs. 1082.24 Lacs) (Detail at Note M)

II. Notes

A) Capital Commitments net of funds already deployed – Rs. 720 Lacs (Rs. 520 Lacs).

B) Unclaimed Dividend Rs. 42.35 Lacs (Rs. 40.13 Lacs) includes dividend retained by the Company in exercise of its lien on unpaid calls Rs.7.70 Lacs (Rs.7.15 Lacs).

C) Amount of Interest capitalised during the year Rs. 130.61 Lacs (Rs.204.97 Lacs).

D) SEGMENT REPORTING

Segment Information for the Year ended 31st March, 2010

(I) Information about Primary Business Segments

(Rs. in lacs)

	Shoe Division	Tannery Division	Unallocated	Total
Revenue				
External	34,671.88	3,217.42	113.76	38,003.06
	(32,856.82)	(3,272.76)	(8.06)	(36,137.64)
Inter - Segment	-	6,052.79	-	6,052.79
	-	(6,353.52)	-	(6,353.52)
Total Revenue	**34,671.88**	**9,270.21**	**113.76**	**44,055.85**
	(32,856.82)	(9,626.28)	(8.06)	(42,491.16)
Result				
Segment Result (Profit before Interest & Tax)	6,034.77	385.81		6,420.58
	(6,215.94)	(299.16)	-	6,515.10
Less: Interest Expenses	-	-	(1,396.81)	(1,396.81)
	-	-	(1,443.91)	(1,443.91)
Unallocated Expenditure net of unallocated income	-	-	(2,263.04)	(2,263.04)
	-	-	(4,158.97)	(4,158.97)
Profit before Taxation	**6,034.77**	**385.81**	**(3,659.85)**	**2,760.73**
	(6,215.94)	(299.16)	(5,602.88)	(912.22)
Provision for Taxation	-	-	(940.23)	(940.23)
	-	-	(376.46)	(376.46)
Net Profit	**6,034.77**	**385.81**	**(4,600.08)**	**1,820.50**
	(6,215.94)	(299.16)	(5,979.34)	(535.76)
Other Information				
Segment Assets	22,587.82	6,558.56	2,066.05	31,212.43
	(19,396.45)	(8,692.69)	(2,147.54)	(30,236.68)
Segment Liabilities	11,620.73	3,534.95	1,612.39	16,768.07
	(9,925.72)	(4,632.68)	(3,849.77)	(18,408.17)
Capital Expenditure	1714.62	147.30	264.55	2,126.47
	(3,373.15)	(0.07)	(1,616.40)	(4,989.62)
Depreciation	898.94	142.07	99.01	1,140.02
	(745.76)	(137.04)	(128.52)	(1,011.32)

(II) Information about Secondary Business Segments (Rupees in Lacs)

Revenue by Geographical Market

	Within India	Outside India*	Total
External	8,447.87	29,555.19	38,003.06
	(7,212.10)	(28,925.54)	(36,137.64)
Inter Segment	—	—	—
	—	—	—
Total	**8,447.87**	**29,555.19**	**38,003.06**
	(7,212.10)	(28,925.54)	(36,137.64)
Carrying amount of segment assets	31,212.43	—	31,212.43
	(30,236.68)	—	(30,236.68)
Additions to Fixed Assets	2,126.47	—	2,126.47
	(4,989.62)	—	(4,989.62)

* Includes Export incentive received on Export

(III) Notes :

(i) The Company is organised into two main business segments, namely:

Tannery Division - Manufacturing Finished Leather from Raw Hides & Wet Blue.

Shoe Division - Manufacturing Finished Leather Shoes.

Segments have been identified and reported considering the distinct nature of products and differing risks and returns accruing there from, the organisation structure, and the internal financial reporting systems.

(ii) Segment Revenue in each of the above business segments primarily includes domestic and export sales, export incentives and other miscellaneous income. It also includes inter Segment transfers priced at cost plus a predetermined rate of profit.

(iii) The Segment Revenue in the geographical segments considered for disclosure are as follows:

(a) Revenue within India includes sales to customers located within India and earnings in India.

(b) Revenue outside India includes sales to customers located outside India and earnings outside India.

(iv) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

E) Related Party Disclosures

Related Party Disclosures, as required by AS,18– "Related Party Disclosures", issued by Institute of Chartered Accountants of India are given below:

1. Relationships:

(i)	Associate Company	:	Mirza (UK) Ltd.
(ii)	Key Management personnel & Relatives	:	Mr. Irshad Mirza (Chairman), Mr. Rashid Mirza (Managing Director), Mr. Shahid Mirza, Mr. Tauseef Mirza, Mr Tasneef Mirza, Mr N.P. Upadhyay (Whole Time Directors), Mr. Shuja Mirza, (Vice President Marketing), Mr. Faraz Mirza (Vice President- Production)
iii)	Related Companies	:	Euro Footwear Ltd, Shoemax Engg. Ltd, Achee Shoes Pvt. Ltd., Emgee Projects Pvt. Ltd. Mirza Holding Pvt. Ltd., Mirza Agrotech Pvt. Ltd., Gemini Products Limited, Red Tape International Pvt. Ltd., Shoemac Leather Tech Engineers Ltd., Mayfair Leather Exports Ltd.
iv)	Related Parties/Firms	:	Mrs Jamil Ara Begum, Mrs Sabiha Hussain, Mirza Projects, Genesis International, Mars International, Genesis Developers, Genesis River View Resorts, LLP.

2. The details of transactions carried out with the related parties in the ordinary course of business are as follows:

		Volume of Transactions (Rs.) 2010	Outstanding (Rs.) 2010	Volume of Transactions (Rs.) 2009	Outstanding (Rs.) 2009
1	**Purchase**				
	Mayfair Leather Exports Ltd.	**14,00,92,796**	**—**	18,57,47,881	1,09,34,311 CR
	Genesis International	**25,09,39,066**	**32,11,793 CR**	4,82,78,074	
	Euro Footwear Ltd.	**36,58,25,663**	**2,54,86,952 CR**	36,85,85,972	72,96,953 CR
	Gemini Products Ltd.	**2,44,02,864**	**6,86,884 DR**	1,88,43,946	4,34,448 DR
	Shoemax Engineering Ltd.	**31,765**	**—**	50,35,597	3,33,625 CR
	Shoemac Leather Tech Eng. Ltd.	**23,89,436**	**5,00,000 DR**	26,46,014	16,49,543 CR
	Mirza (UK) Ltd.	**88,03,974**			
2	**Jobwork Paid**				
	Mars International	**1,44,93,176**	**4,30,267 DR**	1,29,68,022	7,78,828 CR
	Gemini Products Ltd.	**—**	**—**	6,36,843	
	Rent & Maintenance Charges Paid				
	Mrs. Jamil Ara Begum	**5,40,000**	**—**	5,40,000	5,31,274 DR
	Mrs Sabiha Hussain	**3,00,000**	**—**	3,00,000	—
3	**Sales**				
	Euro Footwear Ltd.	**13,43,60,546**	**—**	11,86,48,903	
	Mirza (UK) Ltd.	**1,84,16,23,348**	**75,26,870 DR**	1,92,48,36,686	2,44,69,240 CR
	Genesis International	**11,37,10,900**	**1,28,79,674 DR**	3,65,12,085	72,83,075 DR
	Mayfair Leather Exports Ltd.	**4,41,19,522**	**5,451,280 DR**	4,96,70,404	
	Gemini Products Ltd.	**7,34,031**			
4	**Jobwork Received**				
	Euro Footwear Ltd.	**15,82,215**	**—**	26,91,008	
	Mayfair Leather Export Ltd.	**1,13,265**	**—**		
5	**Gurantee Commission Paid**				
	Irshad Mirza	**56,75,000**	**—**	49,25,000	—
6	**Salary Paid**				
	Shuja Mirza	**34,33,649**	**—**	32,75,961	—
7	**Managerial Remuneration**	**3,33,68,172**	**—**	3,21,82,343	
8	**Sitting Fees**				
	Irshad Mirza	**—**	**—**	20,000	
9	**Rent Recd.**				
	Shoemax Engineering Ltd.	**2,64,000**	**—**		
10	**Commission on Export Sales**				
	Mirza (UK) Ltd.	**1,65,57,423**	**1,65,57,423**	—	—

F) Earnings Per Share

Number of Issued equity Shares as on 01.04.2009	**9,27,06,000**
Number of Issued equity Shares as on 31.03.2010	**9,27,06,000**
Weighted Average Number of Issued equity Shares during the year	**—**
Net Profit after tax for the year	**Rs. 18,17,50,212**
Dividend Payable to holders of issued preference shares	**NIL**
Net Profit available for Equity Share holders	**Rs. 18,17,50,212**
Basic Earnings Per Share	**Rs. 1.96**
Effect of Outstanding securities/Instruments having EPS dilutive potential	**NIL**
Diluted Earnings per Share	**Rs. 1.96**

G) Following payments to Directors are included in various heads of expenditure :

Salary	**3,21,00,000**	3,14,00,000
Perquisities	**12,68,172**	7,82,343
Sitting Fees	**1,90,000**	2,40,000
Guarantee Commission	**56,75,000**	49,25,000
	3,92,33,172	3,73,47,343

H) Bills discounted include bills of Rs. 6824 Lacs (Rs. 6412 Lacs) drawn on Mirza (UK) Ltd.

I) Sundry Debtors include dues from the following companies under the same management arising under the normal course of business.

	Outstanding as on 31.03.2010 (Rs.)	Maximum amount outstanding at any time during the year (Rs.)
Mirza (UK) Ltd.	**75,26,870**	20,24,20,013

J) **Payment to Statutory Auditors**	**2010**	2009
Audit Fees	**4,50,000**	4,00,000
Tax Audit Fees	**75,000**	50,000

K) No provision has been made for interest receivable on allotment money in arrears.

L) **Income Tax**

The Company has recognised and accounted for cumulative net deferred tax liability in accordance with Accounting Standard (AS-22) issued by the Institute of Chartered Accountants of India, "Accounting for Taxes on Income" in respect of net aggregate timing differences as on 31st March, 2010 .

M) The company's challenge to the constitutional validity of the provisions of Direct Tax laws Amendment Act 2006 is still pending before the Hon'ble Allahabad High Court. The demands raised by the authorities under the provisions of the said Act aggregate Rs.1108.85 Lakhs. The Hon'ble Court has restrained the authorities from recovering the demand. Similar orders have been passed by other High Courts in the country.The Central Government has applied to the Hon'ble Supreme Court to transfer all cases involving similar challenges before itself. The matter is pending with the Hon'ble Supreme Court. In the meanwhile the company has also appealed against each assessment order before the appropriate appellate authority.

N) Exchange Fluctuation Difference of Rs.602.92 Lacs (Rs. 2496.60 Lacs) consists of Loss on cancellation of Forward Contracts (net) Rs 782.30 Lacs (Rs. 2095.26 Lacs), Loss due to Exchange Fluctuation Rs. Nil (Rs. 343.56 Lacs) and Profit on Exchange Fluctuation on Export/ Import/ Others Rs.179.38 Lacs. (Rs. 57.78 Lacs).

O) The company does not owe any dues outstanding for more than the period specified in Micro Small & Medium Enterprises Development Act, 2006 as at 31st March 2010, to any Micro and Small & Medium Enterprises. This information is based on data available with the company.

P) Following are the outstanding forward exchange contracts entered into by the Company

Forward contracts USD INR 35.12 lakhs Sell Hedging

Forward contracts GBP USD 6.50 lakhs Sell Hedging

Q) **Employee benefits :**

Actuarial valuation of gratuity has been done with the following assumptions.

Total Expense recognised in the Statement of Profit & Loss Account

		31.03.2010 Rs.	31.03.2009 Rs.
A	**Components of employer expense**		
1	Current Service Cost	**29,06,012**	25,28,630
2	Interest Cost	**24,90,535**	20,35,113
3	Expected return on plan assets	**—**	—
4	Curtailment cost/(credit)	**—**	—
5	Settlement cost/(credit)	**—**	—
6	Amortization of Past Service cost	**—**	—
7	Actuarial Losses/(Gains)	**34,59,259**	10,01,606
8	**Total expense recognised in the Statemnet of Profit & Loss**	**88,55,806**	55,65,349
B	**Actual Contribution and Benefits Payments for period ended**		
1	Actual benefit payment	**21,83,731**	92,852
2	Actual Contributions	**—**	—

Net Asset/(Liability) recognised in Balance Sheet as on		31.03.2010 Rs.	31.03.2009 Rs.
A	**Funded Status**		
1	Present value of Defined Benefit Obligation (DBO)	**3,65,43,166**	2,98,71,091
2	Fair value of Plan assets	**—**	—
3	Funded status (Surplus/(Deficit)	**(3,65,43,166)**	(2,98,71,091)
4	Effect of balance Sheet asset limit	**—**	—
5	Unrecognised Past Service Cost	**—**	—
6	**Net asset/(liability) recognised in balance sheet**	**(3,65,43,166)**	(2,98,71,091)
7	Net assets/(liability) recognised in balance sheet at beginning of period	**(2,98,71,091)**	(2,43,98,594)
8	Employer Expenses	**88,55,806**	55,65,349
9	Employer Contribution	**21,83,731**	92,852
10	**Net asset/(Liability) recognised in balance sheet at end of the period**	**(3,65,43,166)**	(2,98,71,091)

Change in Defined Benefit Obligation and Fair Value of Assets During the year ended 31st March, 2010

A	**Change in Defined Benefit Obligations**		
1	Present Value of DBO at beginning of Period	**2,98,71,091**	2,43,98,594
2	Current Service Cost	**29,06,012**	25,28,630
3	Interest Cost	**24,90,535**	20,35,113
4	Curtailment cost/(credit)	**—**	—
5	Settlement cost/(credit)	**—**	—
6	Employee contribution	**—**	—
7	Plan amendements	**—**	—
8	Acquisitions	**—**	—
9	Actuarial (gains)/losses	**34,59,259**	10,01,606
10	Benefits paid	**21,83,731**	92,852
11	Present Value of DBO at the end of period	**3,65,43,166**	2,98,71,091
B	**Change in Fair value of Assets during the year ended**		
1	Plan assets at beginning of period	**—**	—
2	Actual return on plan assets	**—**	—
3	Actual Company contribution	**21,83,731**	92,852
4	Employee contribution	**—**	—
5	Benefits paid	**21,83,731**	92,852
6	Plan assets at the end of period	**—**	
Acturial Assumptions			
Discount		**8.00%**	7.50%
Rate of increase in compensation levels		**5.00%**	5.00%
Expected average remaining working lives of employees (years)		**21.43**	19.15

R) INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3, 4C AND 4D OF PART - II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

I. DETAILS REGARDING OPENING STOCK, PRODUCTION, PURCHASE, TURNOVER AND CLOSING STOCK

Sl. No.	Class of Goods Manufactured	Unit	Opening Stock Qty.	Opening Stock Value (Rs.)	Production Qty.	Purchase Qty.	Purchase Value (Rs.)	Turnover/Issue Qty.	Turnover/Issue Value (Rs.)	Closing Stock Qty.	Closing Stock Value (Rs.)
1	Chrome Leather	Sq.Mtr.	80278	58263056	472781	—	—	457089	318757927	95970	59395923
			(120537)	(106509216)	(356087)	—	—	(396346)	(318772902)	(80278)	(58263056)
2	Footwear	Pair	249408	142952012	2845576	1406974	833607705	4238547	3038647769	263411	1530020318
			(297159)	(180865608)	(2772454)	(1403439)	(689127607)	(4223644)	(2928753718)	(249408)	(142952012)
3	Shoe Uppers	Pair	49708	14130650	3100351	—	—	3119612	44979963	30447	5833730
			(28405)	(8555055)	(2911926)	—	—	(2890623)	(25410061)	(49708)	(14130650)
4	Others		—	26615243	—	—	24761514	—	71570549	—	27504725
			—	(17374699)	—	—	(37135145)	—	(51340237)	—	(26615243)

II. RAW MATERIALS CONSUMED

		2010		2009
		Rs.		Rs.
Raw Hides & Wet Blue	**775157.5 Hides**	**40,29,97,855**	814484.5 Hides	54,62,14,589
Chemicals		**25,67,65,709**	—	25,21,87,367
Fittings & Others		**1,53,31,81,114**	—	1,29,14,60,266

* Of the above 1043 (70.5) Hides and 693.5 pairs (822) Pairs of shoes were issued as sample to C.L.R.I., Customs, Buyers & Customers. 4390 Hides (8313) Hides were lost in process.

		2010	2009
III.	**EARNING IN FOREIGN EXCHANGE**	**Rs.**	Rs.
	F.O.B. Value of Export	**2,62,45,23,527**	2,45,21,98,165
IV.	**EXPENDITURE IN FOREIGN CURRENCY**		
	Overseas Trade Exhibition Expenses	**—**	—
	Commission on Export Sales.	**4,20,14,492**	2,59,40,999
	Foreign Travelling Expenses	**30,24,016**	30,56,724
	Interest on PCFC & FC	**—**	20,88,127
	Consultancy	**—**	22,99,351
	Legal & Professional	—	8,42,098
V.	**VALUE OF IMPORT ON C.I.F. BASIS**		
	1. Raw Material inculding Chemicals	**33,04,45,835**	32,39,08,199
	2. Stores & Spare Parts	**1,00,78,028**	1,45,18,660
	3. Capital Goods	**4,96,85,334**	5,69,85,488

VI.	**VALUE OF RAW MATERIAL CONSUMED**				
	Imported	**16.89%**	**37,04,34,689**	21.12%	44,13,62,231
	Indigenous	**83.11%**	**1,82,25,09,989**	78.88%	1,64,84,99,991
VII.	**AMOUNT OF DIVIDEND REMITTED IN FOREIGN CURRENCY**		**—**		—

VIII. LICENSED CAPACITY & INSTALLED CAPACITY

(Figures in lacs)

Particulars	**Unit**	**Licenced Capacity (As per LI/Licence)**		**Installed Capacity**		***Actual Production**	
		2010	2009	**2010**	2009	**2010**	2009
Footwear	Pairs	N.A.	N.A.	**40.00**	40.00	**28.45**	27.72
Chrome Leather	Sq. Mtr.	N.A.	N.A.	**—**	—	**4.73**	3.56

* Represents final production for sale and does not include intermediate products consumed for down stream production. Installed capacity figures are as certified by the Management and being a matter of technical nature not verified by the auditors. These have been expressed in units of quantities in which licences have been issued except in case of leather where it has been expressed in Sq.Mtrs. Which, in the opinion of the Management, is the appropriate unit of quantity.

Schedule 21 : INFORMATION REQUIRED IN PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. 0 4 8 2 1 State Code 2 0

Balance Sheet Date 3 1 (Date) 0 3 (Month) 2 0 1 0 (Year)

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

Public Issue	Rights Issue
–	–
Bonus Issue	**Private Placement**
–	–

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

Total Liabilities	Total Assets
3 1 2 1 2 4 2	3 1 2 1 2 4 2

Sources of Funds

Paid Up Capital	Reserves & Surplus
1 8 5 4 1 2	1 2 5 9 0 2 4
Secured Loans	**Unsecured Loans**
1 0 4 2 6 7 3	–
Deferred Tax	
1 7 3 0 0 0	

Application of Funds

Net Fixed Assets	Investments
1 7 3 2 1 0 8	9 0 0 4
Net Current Assets	**Misc. Expenditure**
9 1 8 9 9 7 8	–
Accumulated Losses	
–	

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

Turnover	Total Expenditure
3 8 0 0 3 0 6	3 5 2 4 2 3 3
Profit before Tax	**Profit after Tax**
2 7 6 0 7 3	1 8 1 7 5 0
Earning per Share (Rs.)	**Dividend Rate %**
1.96	2 0

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

Item Code No.	4 1 0 7 9 9	Product Description	Finished Leather
Item Code No	6 4 0 6 1 0	Product Description	Shoe Uppers
Item Code No.	6 4 0 3 5 1	Product Description	Shoes

As per our report of even date

For Khamesra Bhatia & Mehrotra
Chartered Accountants

Anand Saxena
Partner
M.No. 075801

Place : Kanpur
Date : 22.05.2010

Signature to Schedules 1 to 21

IRSHAD MIRZA
Chairman

RASHID AHMED MIRZA
Managing Director

N.P. UPADHYAY
TASNEEF AHMAD MIRZA
SHAHID AHMAD MIRZA
SUBHASH SAPRA
Q.N. SALAM
P.N. KAPOOR
YASHVEER SINGH
ISLAMUL HAQ
SUDHINDRA JAIN
} *Directors*

D.C. PANDEY
G.M. (Accounts) &
Company Secretary

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

		2010 Rs.	2009 Rs.
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before Tax & Extra-ordinary Items	**27,60,73,152**	9,12,22,260
	Adjustment for		
	Loss on sale of Investments	**0**	1,400
	Loss on sale of Fixed Assets	**1,12,21,141**	37,94,346
	Depreciation	**11,40,01,792**	10,11,32,281
	Interest	**13,96,81,014**	14,43,90,995
	Deferred Tax	**8,00,000**	44,00,000
		26,57,03,947	25,37,19,022
	Less :		
	Interest Income	**83,68,580**	1,22,242
	Dividend Received	**1,860**	1,650
	Income from Govt. Grant	**5,93,789**	5,93,789
		89,64,229	7,17,681
	Operating Profit before Working Capital Changes	**53,28,12,870**	34,42,23,601
	Adjustment For		
	Trade & other Receivables	**(7,76,95,240)**	5,77,77,015
	Inventory	**4,29,08,614**	7,78,19,881
	Trade Payables	**5,77,32,294**	(10,44,46,002)
	Others	**(2,51,82,409)**	4,13,67,577
		(22,36,741)	7,25,18,471
	Cash Generated from Operations	**53,05,76,129**	41,67,42,072
	Direct Taxes Paid	**(8,21,57,625)**	(3,88,64,631)
	Net Cash from Operating Activity	**44,84,18,504**	37,78,77,441
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	**(20,72,32,839)**	(26,22,05,989)
	Sales of Fixed Assets	**2,42,66,501**	1,87,06,307
	Interest Received	**83,68,580**	1,22,242
	Dividend Income	**1,860**	1,650
	Net Cash used in Investing Activities	**(17,45,95,898)**	(24,33,75,790)
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from calls in Arrears	**55,200**	40,950
	Dividend Paid	**(1,87,97,907)**	(2,76,79,805)
	Dividend Tax Paid	**(31,51,077)**	(47,26,616)
	Borrowing from bank	**2,55,74,894**	-
	Proceeds from Term Loan	**0**	15,00,00,000
	Repayment of Bank Loan	**0**	(4,58,70,426)
	Repayment of Term Loan	**(14,32,59,123)**	(7,50,00,000)
	Interest paid	**(13,96,81,014)**	(14,43,90,995)
	Net cash used in financing activities	**(27,92,59,027)**	(14,76,26,892)
	Net Increase in Cash & Equivalents	**(54,36,421)**	(1,31,25,241)
	Cash & Equivalent as on 01.04.2009 (Opening Balance)	**2,18,40,461**	3,49,65,702
	Cash & Equivalent as on 31.03.2010 (Closing Balance)	**1,64,04,040**	2,18,40,461

Auditors' Certificate

We have verified the above Cash Flow Statement of Mirza International Limited derived from the Audited Financial Statement for the year ended 31st March, 2010 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreements with stock exchange.

For and on behalf of the Board

For Khamesra Bhatia & Mehrotra
Chartered Accountants

ANAND SAXENA
Partner
M. No. 75801
Place : Kanpur
Date : 22.05.2010

D.C. Pandey
G.M. (Accounts) &
Company Secretary

Irshad Mirza
Chairman

Rashid Ahmed Mirza
Managing Director

MIRZA INTERNATIONAL LIMITED

Registered Office: 14/6, Civil Lines, Kanpur – 208 001

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the members of the Company will be held on Wednesday, 29th September, 2010 at 1:00 P.M. at the Auditorium of Council for Leather Exports, HBTI Campus, Nawabganj, Kanpur – 208002 to consider the following businesses:

ORDINARY BUSINESS: -

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2010 and the Profit & Loss Account for the year ended on that date together with the Schedules and Notes attached thereto, alongwith the Reports of the Auditors and Directors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Tauseef Ahmad Mirza, who retire by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Shahid Ahmad Mirza, who retire by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Dr. Yashveer Singh, who retire by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:-

Appointment of Vice-president (Production)

7. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 314 read with Director's Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force and subject to such other sanctions as may be necessary, consent of the Company be and is hereby accorded to Mr. Faraz Mirza, a relative of Directors of the Company, to hold and continue to hold Office or Place of Profit under the Company as Vice President (Production) with effect from 1st January, 2010 on the following terms and conditions:

1. REMUNERATION

Remuneration by way of Salary shall not exceed a sum of Rs. 30,000/- (Rupees Thirty Thousand only) per month, as may be finalized in consultation with the appointee.

2. PERQUISITES:

In addition to the Salary as above, the Vice President (Production) shall be entitled to the following perquisites:

(a) The Vice President (Production) shall be entitled to Gratuity payable at a rate not exceeding half a month's salary for each completed year of service subject to maximum amount of Rs. 10 lacs. However, the same shall not be included in the computation of the ceiling on remuneration specified as above;

b) The Vice President (Production) shall be entitled to Leave with pay not exceeding one month for every eleven months of completed service and unavailed leaves will be allowed to be encashed at the end of the tenure. However, the same shall not be included in the computation of the ceiling on remuneration specified as above;

(c) The Vice President (Production) shall be entitled to use of Company's Car with driver for official purpose and telephone at residence (including payment for local calls and long distance official calls) which shall not be included in the computation of the ceiling on remuneration specified as above.

RESOLVED FURTHER THAT the Board of Directors may alter, vary and modify the terms and conditions of the appointment of Mr. Faraz Mirza from time to time during the tenure of his appointment as Vice President (Production) subject however, to the compliance with the applicable provisions of the Companies Act, 1956 and the Rules made thereunder.

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to complete all the necessary formalities and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By Order of the Board of Directors

Place : Kanpur
Date : August 06, 2010

(D.C. Pandey)
G.M. (Accounts) &
Company Secretary

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received by the Company not less than Forty- Eight Hours before the commencement of the Meeting.
- The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, relating to special business under item No. 7 as set out in the Notice is annexed hereto.
- The Register of members and Share Transfer Books of the Company will remain closed from 21st September, 2010 to 29th September, 2010 (both days inclusive).
- Dividend, if declared at the meeting will be paid to those Shareholders, whose names appear in the Register of Members of the Company on 29th September, 2010 or in the Register of Beneficial owners maintained by the depositories as at the close of their business hours before 21st Spetember, 2010.
- Unclaimed Dividends pertaining to the financial years 2002-2003 and 2003-2004, will be transferred to the 'Investor Education and Protection Fund' of the Central Government, pursuant to Section 205C of the Companies Act, 1956 on the dates mentioned below. Those Members who have so far not enchased these dividend warrants or dividend warrants for financial years 2004-2005 and onwards, may claim or approach our Registrar viz. Karvy Computershare Pvt. Ltd., " Karvy House", 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500034 or the Company for the payment thereof.
- Please note that as per Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the aforesaid Fund in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date the dividend became due for payment and no payment shall be made in respect of such claims.

Dividend Period	Due date for transfer
Final Dividend 2002-2003 paid in September 2003	28/10/2010
Interim Dividend 2003-2004 paid in March 2004	20/04/2011
Final Dividend 2003-2004 paid in September 2004	29/10/2011

- The details required to be given in pursuance of Clause 49 of the listing agreement in case of directors being re-appointed:

  1. **Name of Director** : Mr. Shahid Ahmad Mirza, Whole-time Director; **Age :** 53 Years; **Qualification** : Diploma in Leather Goods Technology, London; **Date of appointment** : 6th September, 1979; **Expertise** : Leather Technologist having rich & vast hands-on experience of more than three decades in the Leather Goods and overall charge of Sheo division of the Company at Unit I at Magarwara, Unnao ; **Other Directorship** : Achee Shoes Pvt. Ltd., Emgee Projects Pvt. Ltd., Mirza Holding Pvt. Ltd., Redtape International Pvt. Ltd., **Shareholding in the Company** : 4295750 Equity Shares of Rs. 2/- each.
  2. **Name of Director** : Mr. Tauseef Ahmad Mirza, Whole-time Director, **Age** : 40 years; **Qualification** : Diploma in Shoe Technology from London; **Date of appointment:** 6th September, 1989; **Expertise** : Leather and Shoe technologist having good experience in his line of business. Looking after core operations of the company (manufacturing of high quality shoes) and is overall incharge of high quality shoe manufacturing units of the company; **Other Directorship** : Emgee Projects Pvt. Ltd., Mirza Holding Pvt. Ltd., Mirza Agrotech Pvt. Ltd., Redtape International Pvt. Ltd., Genesis Infraprojects Pvt. Ltd.; **Shareholding in the Company** : 6944000 Equity Shares of Rs. 2/- each.
  3. **Name of Director** : Dr. Yashveer Singh; **Age** : 63 Years; **Qualification** : M.Sc., M.Phil, PhD.; **Date of appointment** : 8th September, 1994; **Expertise** : He is a Scientist and has an experience of more than two decades in the industry, Government Bodies and institutions; **Other Directorship** : Nil ; **Shareholding in the Company** : 1000 Equity Shares of Rs. 2/- each.

- The members are requested to:
  a) Bring their copy of Annual Report and the Attendance Slip duly filled in with them at the Annual General Meeting;
  b) Inform any change in their address/ mandate/ bank details;
  c) Consider dematerialising the equity shares held by them;
  d) Approach the Company for consolidation of folios, if physical shareholdings are under multiple folios;
  e) Send to the Company duly filled in form for appointment of nominee for the Share held. The prescribed format for appointment of nominee will be made available on request;
  f) To submit copies of their Permanent Account Number (PAN) Card alongwith share transfer request.
- The documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days, except holidays between 11:00 a.m. to 1:00 p.m. upto the date of Annual General Meeting.
- Members desirous of obtaining any information concerning the account and operations of the Company are requested to send their queries to the Company Secretary at leat seven days prior to the meeting so that the required information can be made available at the meeting.

ANNEXURE TO THE NOTICE

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

As required by Section 173(2) of the Companies Act, 1956, the following explanatory statement sets out all material facts relating to the business mentioned under Item No.7 of the accompanying Notice dated August 06, 2010.

ITEM NO. 7

With a view to strengthen the production activities of the Company, the Board of Directors of the Company at its meeting held on 22nd May, 2010 appointed Mr. Faraz Mirza, a relative of the Directors of the Company as Vice- President (Production) of the Company.

Mr. Faraz Mirza, Son of Mr. Shahid Ahmad Mirza Director of the Company, has pursued his Bachelor Degree of Business Administration (BBA) from California State University, USA, after passing ISC Exam from Doon School, Dehradoon in the year 2004 and has adequate experience for discharging the assigned responsibilities.

As required under Section 314 of the Companies Act, 1956, read with Directors' Relative (Office or Place of Profit) Rules, 2003, the proposal is placed for shareholders. The Board recommends the resolution for approval.

Mr. Irshad Mirza, Mr. Rashid Ahmed Mirza, Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza and Mr. Tasneef Ahmad Mirza being related to Mr. Faraz Mirza, may be considered as concerned or interested in the Resolution.

By order of the Board
For Mirza International Ltd.

Place: Kanpur
Date: 06th August, 2010

(D.C. PANDEY)
G.M. (Accounts) &
Company Secretary

MIRZA INTERNATIONAL LIMITED

Registered Office : 14/6, Civil Lines, Kanpur - 208 001

31st ANNUAL GENERAL MEETING

ATTENDANCE SLIP

Master Folio:	DP ID** :
No. of Shares :	Client ID** :

I hereby record my presence at the 31st Annual General Meeting of the Company at Auditorium of Council for Leather Exports, HBTI Campus, Nawabganj, Kanpur on 29th September, 2010.

I am a shareholder of the Company*
I am a Proxy/Authorised Representative of the shareholder(s)*

My name is _____
(Surname) (First Name) (Second Name)

* Please strike off any one which is not applicable.
** Applicable for shareholders holding shares in electronic form.

Note : **1) Shareholder/Proxy wishing to attend the meeting must bring the Attendance Slip at the meeting and hand over the same at the entrance duly signed.**
2) No gifts would be given to Shareholders for attending the AGM, as per SEBI instructions.

----------TEAR HERE----------

MIRZA INTERNATIONAL LIMITED

Registered Office : 14/6, Civil Lines, Kanpur - 208 001

31ST ANNUAL GENERAL MEETING

PROXY

I / We ..... of

..... in
the district of ..... being a member/members of MIRZA INTERNATIONAL LIMITED

hereby appoint ..... of .....
or failing him/her ..... as my/our proxy to attend and vote for me/us and on my/our behalf at the 31st Annual General Meeting to be held on Wednesday 29th September, 2010 at 1.00 P.M. or at any adjournment thereof.

Master Folio:	DP ID** :
No. of Shares :	Client ID** :

Affix a Re.1/- Revenue Stamp

.....
Signed this ..... day of ..... 2010. (Signature)

** Applicable for shareholders holding shares in electronic form.

Note: The Proxy must be deposited at the Registered Office of the Company at 14/6, Civil Lines, Kanpur not less than 48 hours before the time for holding the Meeting.

The RedTape Retail Chain - strong & growing...

BOOK POST

Registered Office:
14/6, Civil Lines, Kanpur - 208 001

Corporate and Marketing Office:
A-7, Mohan Co-operative Industrial Estate,
Mathura Road, New Delhi - 110 044

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