

Mukhtarul Amin, Chairman Council for Leather Exports meets Honorable Union Minister for Finance, Government of India to submit Post Budget Memorandum

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Noida, Uttar Pradesh, IND, 2008-03-24 19:48:26 (IndiaPRwire.com)The Council Of Leather Export (CLE), headed by Mr. Mukhtarul Amin, Chairman CLE, met the Finance Minister Shri. P. Chidambaramji, on 24th March. The meeting was organized to submit Post Budget Memorandum.

The CLE presented the Post Budget to Shri P. Chidabaramji, Finance Minister, Government of India. The council for leather Exports met Shri Chidabaramji on 24th March. 08 and presented him the Memorandum comprising of the following principles.

1. Measures to enhance competitiveness of the sector and attract more overseas investments

1.1 To maintain reduced interest rates on pre-shipment and post-shipment export credit @ BPLR minus 6.5% for the next two years:

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2 Measures to enhance import intensity of the Indian leather sector

Leather Sector is one of the few sectors which currently has a low import intensity, of about 14%. Hence, there is a need to enhance the import intensity of the industry so as to enhance availability of essential and critical inputs and also capital goods, so as to enhance its productivity. Keeping this in view, the following measures are suggested with the objective of increasing the import intensity of the Indian leather sector.

3 Remove Excise duty on Footwear and Leather products to encourage exporters to mitigate the risk through domestic market

The leather products industry in India is compartmentalized in to those serving the domestic markets and those supplying to global markets. When rupee appreciated against Dollar, though domestic market could have provided some relief, exporters were not prepared to sell their goods in domestic market as excise duty ranging from 8% to 16% has made their products uncompetitive against the regular suppliers.

With the huge projected growth of the domestic market for the leather products, more and more foreign brands will enter the market in the coming years. The leather sector, however, will not be able to capitalize on this retail boom due to stiff Excise levies on leather products and footwear sectors.

Mr Muktharul Amin says, Exports from India of leather and leather products had brightened in the context of decreasing production in Western Europe and stagnating exports from China. The perspective plan prepared by us in this context has projected exports in the current fiscal to reach US Dollar 3.69 Billion. However, figures for period April - October period has shown a negative growth of 2.92% in Rupee terms and 9.43% in US Dollar terms over the previous year (2006-07). Exports in the last fiscal were US Dollar 2.98 Billion. Considering the huge opportunity, exporters have invested heavily in the last few years to add additional capacity. An estimated new 50,000 employment opportunities were also created in the product sector in the last two years. When the Industry was all geared up for a huge increase in exports, unprecedented appreciation of Rupee against US Dollar has put the Leather exports under great strain slowing down exports. This in effect not only halted investments in to the sector but also led to loss of employment.

- **END** -Superhouse Leathers Ltd. a name to reckon with today had a modest beginning. Established in the year 1980 as a small Tannery in Unnao is today one of the largest manufacturers/exporters of Indian Sub-continent. Superhouse Group comprises of 18 manufacturing units equipped with state-of-the-art technologies and highly skilled, committed and quality conscious workforce of around 5000 individuals working as a team. The manufacturing units are located in Kanpur, Unnao, Agra and Noida with trading office in Delhi and Overseas offices in U.K. and UAE. The operations in USA and Canada would be covered by overseas office in USA coming up shortly.

The Indian Export Promotion Organisation have acknowledged the labour that has been put into shaping of a multi product and multi location conglomerate from a mere production unit at Unnao and have bestowed upon Superhouse numerous accolades in response. Superhouse has been getting Export Awards regularly and recently the Best Productivity Award was conferred upon the company. This has boosted the spirits and today Superhouse is eyeing an ambitious target of US \$ 150 Million in the coming year. The export sale figure for the year 2004-2004 inspite of various bottlenecks in Leather business worldwide have been excellent and the detailed break-up is as follows:-

Finished Leather Rs. 166.11 Million

Leather Footwear Rs. 275.10 Million

Footwear Components Rs. 194.70 Million

Leather Goods/Garments Rs. 200.00 Million

The figures show a substantial jump over the previous year with almost equal sales in domestic market the net turnover of Superhouse group today stands at around 200 crores.

Not only business but also the environmental issues have witnessed concentrated efforts from the group. With the sole initiative of Superhouse, a common effluent treatment plant was set up in Unnao which treats the effluent from more than a dozen tanneries in and around UPSIDC, Industrial

Area, Unnao, before it goes to harm the living beings. The common effluent treatment plant at Unnao which is the result of the initiative of the Superhouse group is one of its kind in Asia and has received acknowledgement and letter of Appreciation from many International bodies like UNIDO and Ministry of Environment and Forest, Government of India. The project is aided by World Bank.

Today Superhouse Group is slowly and steadily moving towards the status of a diversified conglomerate with interests not only in leather, leather products and accessories but also in areas as diverse as real estate, education and entertainment. Superhouse has recently acquired 100 acres of land near Lucknow to set up a modern manufacturing unit for frozen food exports.

For more information, Please contact:

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You can also visit www.superhousegroup.com for more information.