

# Sreeleathers Limited

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Sri Satyabrata Dey - Managing Director  
 Sri Sumanta Dey - Director  
 Sri Tanmoy Shome - Independent Director  
 Smt. Sadhana Adhikary - Independent Director

### CHIEF FINANCIAL OFFICER

Sri Sujay Bhattacharjee

### COMPANY SECRETARY & COMPLIANCE OFFICER

Sri Bijoy Kumar Roy

### AUDITORS

K.Rungta & Co.,  
 Chartered Accountants,  
 1, Crooked Lane, Room No.102,  
 1st Floor,  
 Kolkata-700 069

### REGISTRAR & SHARE TRANSFER AGENT

Niche Technologies Private Limited  
 D-511, Bagree Market  
 71, B.R.B. Basu Road  
 Kolkata – 700 001

### BANKERS

HDFC Bank Ltd., Chowringhee Branch  
 Bank of India, Lindsay Street Branch  
 State Bank of India, Strand Road Branch  
 Federal Bank, New Market Branch  
 IDBI Bank, Brabourne Road Branch

### REGD. OFFICE

6, Tottee Lane, Kolkata – 700 016 (West Bengal)  
 Phone No.: +91 33 2286 1510/ 11  
 Fax No.: +91 33 2217 6468  
 E-mail: sreeleathers@sreeleathers.com  
 Web: www.sreeleathers.com  
 CIN: L67190WB1991PLC050656

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## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 26th Annual Report together with the Audited Financial Statements of the Company for the Year ended March 31, 2017.

### FINANCIAL RESULTS:

Particulars	(Rs. in Lacs)	
	March 31, 2017	March 31, 2016
Receipt from Operations	9958.53	7973.31
Profit before depreciation & taxes	2178.51	1866.25
Less: Depreciation	124.60	123.66
Profit Before Tax	2053.91	1742.59
Less: Provision for:		
(a) Income Tax	730.56	627.44
(b) Deferred Tax	(16.95)	(14.81)
Profit after tax	1340.30	1129.96
Add: Balance brought forward from last year	4122.82	2992.86
Profit available for appropriation	5463.12	4122.82
Adjustment for Depreciation	-	-
Balance carried to Balance sheet	5463.12	4122.82

The company does not propose to transfer any amount to the General Reserves. An amount of Rs. 5463.12 lacs is proposed to be retained in the statement of Profit & Loss.

### OPERATIONAL REVIEW:

Your Company reported a top-line growth of 24.90 % over the Previous Year. The Gross Revenue from operations stood at Rs. 9958.53 lacs compared with Rs.7973.31lacs in the Previous Year. The Operating Profit before tax stood at Rs. 2053.91 lacs as against Rs.1742.59 lacs in the Previous Year. The Net Profit for the year stood at Rs.1340.30 lacs against Rs.1129.96 lacs reported in the Previous Year.

The company continues to retain and reinforce its market leadership in Leather and Non-Leather footwear and accessories with distribution network comprising of exclusive stores, wholesalers and dealers

### DIVIDEND:

Your Directors does not recommend any dividend for the year under review. The director's foresee to make further expansions in business and for this, the profits are ploughed back.

### SHARE CAPITAL:

The paid up equity capital as on March 31, 2017 was Rs.2,515.50 lacs. During the year under review, the company has not issued any shares with differential voting rights nor granted stock options nor sweat equity during the year under review. As on March 31, 2017, none of the Directors of the company hold instruments convertible into equity shares of the Company.

### FINANCE AND ACCOUNTS:

Cash and cash equivalents as at March 31, 2017 was Rs. 575.08 lacs. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2017. The company continues to focus on judicious management of its working capital, receivables and inventories. Other working capital parameters were kept under strict check through continuous monitoring.

### FIXED DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by company are given in the notes to the financial statements.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/ revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal audit is entrusted to Messrs R. B. Roy & Co., Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

## **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

As part of its initiatives under "corporate social responsibility" (CSR), the company has contributed funds for the schemes for promotion of education, vocational training, livelihood enhancement projects & sanitation. The contributions in this regard have been made to the registered trust which is undertaking these schemes. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy.

The Annual Report as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 on CSR activities is annexed herewith as: Annexure A and forms an integral part of this Report. Apart from the CSR activities under the Companies Act, 2013,

## **CONSERVATION OF ENERGY:**

- a) Company ensures that the operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b) No specific investment has been made in reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.
- d) Since the Company does not fall under the list of industries, which should furnish this information in Form A annexed to the aforesaid Rules, the question of furnishing the same does not arise.

## **TECHNOLOGY ABSORPTION:**

The Company doesn't have any in-house R & D Facility. The Company has not imported any technology during the year under review.

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATE AND THE DATE OF REPORT**

Management does not perceive any material changes occurred subsequent to the close of financial year as on 31.03.2017 and before the date of Report dated 27.05.2017 affecting financial position of the company in any substantial manner.

## **FOREIGN EXCHANGE EARNINGS AND OUT-GO:**

During the period under review there was no foreign exchange earnings or out flow.

## **INDUSTRIAL RELATIONS:**

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff.

The Company is committed to nurturing, enhancing and retaining its top talent through superior learning and organizational development. This is a part of our Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

## **DIRECTORS:**

There is no change in the composition of the Board of Directors during the period under review.

Director Sri Sumanta Dey (DIN 00647680) retires by rotation and, being eligible, offers himself for re-appointment. Sri Sumanta Dey was appointed as Non-Executive Director, liable to retirement by rotation in the last A.G.M. in September 2016. The Board now recommends the re-appointment of Sri Sumanta Dey as Non-Executive Director.

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and there is no change in their status of independence. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued.

### **Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non- Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

### **Remuneration Policy**

The Board has, on the recommendation of the Appointment & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

### **Meetings**

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year five Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## **DIRECTOR'S RESPONSIBILITY STATEMENT:**

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013:

- i) In the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31.03.2017 and of the profit or loss of the Company for the year ended on that day.

- iii) 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) The directors had prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. and
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

#### **RELATED PARTY TRANSACTIONS:**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made there under are not attracted. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company and can be viewed at <http://www.sreeleathers.com/SL/Relatedparty.pdf>.

#### **SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary.

#### **CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behavior of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "Code of Business Conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website [www.sreeleathers.com](http://www.sreeleathers.com).

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company ([www.sreeleathers.com](http://www.sreeleathers.com)).

#### **PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is the compliance officer who is responsible for implementation of the Code.

All Directors and the designated employees have confirmed compliance with the Code.

#### **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has in place an Anti-harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee are set up at shop floor level to redress complaints received regularly and are monitored by women line supervisors who directly report to the Managing Director. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2016-17 and hence no complaint is outstanding as on 31.03.2017 for redressal.

## AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder the term of office M/s. K.Rungta & Co, Chartered Accountants (ICAI Firm Registration No. 321068E), as the Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company. The Board of Directors places on record its appreciation to the services rendered by K.Rungta & Co as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s. Chanani & Associates, Chartered Accountants (ICAI Firm Registration No. 325425E), as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

Accordingly, the Board recommends the resolution in relation to appointment of Statutory Auditors, for the approval by the shareholders of the Company.

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report. The Secretarial Audit Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments.

## SECRETARIAL AUDIT:

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed SA & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure B"

## EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed as Annexure - C and forms an integral part of this Report.

## PARTICULARS OF EMPLOYEES:

The information required under section 197(12) of the Companies Act, 2013 and the rules made thereunder, as amended has been given in the annexure appended hereto and form part of this report. The company does not have any employees who were employed throughout the year and were in receipt of remuneration of more than Rs. 102.00 lacs per annum or employed for part of the year and were in receipt of remuneration of more than Rs. 8.50 lacs per month.

## EMPLOYEE STOCK OPTION:

The company has not given any employee stock option scheme during the financial year 2016- 17. Previous year: Nil

## PARTICULARS PURSUANT TO SECTION 197(12) AND THE RELEVANT RULES:

- a) The ratio of remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

Name	Ratio
Satya Brata Dey (Managing Director)	33.60: 1
Sujay Bhattacharjee (Chief Financial Officer)	1.90: 1
Bijoy Kumar Roy (Company Secretary)	1.76:1

For this purpose, Sitting fees paid to the Directors have not been considered as remuneration.

- b) The % increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Satya Brata Dey (Managing Director)	150%
Bijoy Kumar Roy (Company Secretary)	-10.78%
Sujay Bhattacharya (Chief Financial Officer)	-11.67%

- c) The % increase in the median remuneration of employees in the financial year: 1.73%.
- d) The number of permanent employees on the rolls of company: 48
- e) The explanation on the relationship between average increase in remuneration and company performance; The Company's PAT has grown from Rs. 1129.96 lacs to Rs. 1340.30 lacs an increase of 18.61% against which the average increase in remuneration is 1.73%, and this increase is aligned with the Compensation Policy of the company.
- f) Comparison of the remuneration of the Director and Key Managerial Personnel against the performance of the company: The increase in remuneration to the Directors, key managerial persons as well as employees of the company are based on a annual review mechanism which takes care of the individual performance of the employee as well as the overall growth of the company.
- g) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year.

Particulars	March 31, 2017	March 31, 2016	% Change
Ordinary Shares			
Market Capitalization (Rs. In Crs)	305.76	313.68	-2.52
Price Earning Ratio	22.80	27.77	-17.90

- h) Percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

Market Price as on March 31, 2017	Rs.121.55
Price at the time of public issue of 18,10,200 equity shares made in the fiscal 1997 – 1998.	Rs. 10.00
% increase of market price over the price at the time of public issue	1115.50%

Note: Closing share price of ordinary shares at NSE Ltd. has been used for the above table.

- i) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration: Average increase in remuneration is 1.73% for Employees other than Managerial Personnel, -10.78% for Sri Bijoy Kumar Roy, Company Secretary & -11.67% for Sri Sujay Bhattacharjee, Chief Financial Officer of the company.
- j) The key parameters for any variable component of remuneration availed by the directors: There is no variable component for any director, key managerial personnel as well as any employee of the company during the financial year.
- k) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable.
- l) Affirmation that the remuneration is as per the remuneration policy of the company: The remuneration for Managing Director, KMP and rest of employees is as per the remuneration policy of the company.
- m) Comparison of each remuneration of the key managerial personnel (KMP) against the performance of the company:

Key Managerial Personnel	Sri Satyabrata Dey Managing Director	Sri Sujay Bhattacharjee Chief Financial Officer	Sri Bijoy Kumar Roy, Company Secretary
Remuneration in Fiscal 2017 (in lacs)	60.00	3.40	3.15
Revenue (in lacs)	9958.53		
Remuneration as % of revenue	0.60	0.03	0.03
Profit / (loss) before Tax (in lacs)	2053.91		
Remuneration (as % of PBT)	2.92	0.16	0.15

## **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:**

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

The Management Discussion and Analysis Report on the operations of the Company, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an integral part of this Report.

## **CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis Report describing the estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand-supply conditions, material prices, changes in Government Regulations, tax regimes, economic developments within the Country and outside the Country and other factors such as litigation and labor negotiations.

## **ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their appreciation, for the contribution made by the employees at all levels but for whose hard work, and support, your Company's achievements would not have been possible. Your Directors also wish to thank its customers, dealers, agents, suppliers, investors and bankers for their continued support and faith reposed in the Company.

For and on behalf of the  
Board of Directors

Kolkata  
May 27, 2017

Satya Brata Dey  
Managing Director

**Annexure A to Boards Report**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A brief outline of the company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR policy is stated herein below:

**CSR Policy**

Our aim is to be one of the most respected companies in India delivering superior and everlasting value to all our customers, associates, shareholders, employees and Society at large.

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

To pursue these objectives we will continue to:

- 1) Work actively in areas of eradication of hunger and poverty, promoting preventive health care and sanitation, providing opportunity and financial assistance for the promotion of education in the form of Yoga, and provide medical aid to the needy.
- 2) Collaborate with likeminded bodies like Voluntary organizations, charitable trusts, governments and academic institutes in pursuit of our goals.
- 3) Interact regularly with stakeholders, review and publicly report our CSR initiatives.

The policy has been uploaded on the website of the company – [www.sreeleathers.com](http://www.sreeleathers.com)

Web Link: <http://www.sreeleathers.com/SL/CSR.pdf>

2. **Composition of CSR committee**

Name of The Member	Designation
Shri Sumanta Dey	Chairman
Smt. Sadhana Adhikary	Member
Shri Tanmoy Shome	Member

3. **Average net profit of the company for last three financial years:**

Average net profit: Rs.13.46 Crores

4. **Prescribed CSR Expenditure ( Two percent of the amount as in item 3 above)**

The company is required to spend for financial year 2016-17	Rs. 26.92 Lacs
Amount unspent for Financial year 2015-16	Rs. 21.71 Lacs
Total	Rs. 48.63 Lacs

5. **Details of CSR spent for the financial year :**

- a) Total amount spent for the financial year: Rs. 19.60 lacs.
- b) Amount unspent if any: Rs.29.03lacs

c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Projects/ Activities/ Agency	Sector	Locations	Amount outlay (Budget) project or programme wise (Rs. Lacs)	Amount spent on the project or programme (Rs. Lacs)	Cumulative Expenditure upto reporting period (Rs. Lacs)	Amount spent direct or through implementing agency
1.	Women Empowerment in Rural and Undertaking girl child education	Education	Sundarban	4.00	4.00	4.00	Bharat Sevashram Sangha
2.	Child Health & Education	Child Health & Education	Kolkata	5.00	5.00	5.00	Institute of Child Health Trust
3.	Eradicating hunger, Poverty, provide education and Safe Drinking water	Eradicating hunger, Poverty, provide education and Safe Drinking water	Kolkata	5.00	5.00	5.00	Shyamali Bhalotia Memorial Trust
4.	Scholarship for Underprivileged Students	Education	Kolkata	0.10	0.10	0.10	Calcutta Club Ltd. Centenary Scholarship Fund
5.	Yoga	Vocational Training	Bengaluru	5.50	5.50	5.50	Vivekananda Yoga Anusandhana Samsthana

Note: The Company is identifying and evaluating the various projects as specified in the Schedule VII of the Companies' Act, 2013 and within that the best way to implement the same in order to maximize the benefit to the society. A sum of Rs.29.03 lacs remained unspent at the end of the Financial Year 2016-17. The Company shall ensure that it complies with the requirements of the Companies Act, 2013 and Rules framed there under. The Company is committed to provide the amount as per Corporate Social Responsibility norms of The Companies Act, 2013. But this is an ongoing process and as per the requirements of implementing agencies, we are releasing funds step by step and in course of time the funds will be realized by the agencies. Necessary details will be reflected in Company's Annual Reports for the coming subsequent years.

For and on behalf of the  
Board of Directors

Kolkata  
May 27, 2017

Satya Brata Dey  
Managing Director

**Annexure B to Boards Report****FORM NO. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**S. A. & ASSOCIATES**

Company Secretaries

SWASTIK', 334 / 157 Jessore Road,  
SN-8, (Ground Floor), Kolkata-700089  
Ph: 2534 2445/ 9830591639 /25343481  
Mobile: 98300 16001  
Email Id: cs.sa.associates@gmail.com

To,  
The Members,  
M/s. Sreeleathers Limited  
(CIN: L67190WB1991PLC050656)  
6, Totee Lane, P.S. Taltalla,  
Kolkata – 700 016

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sreeleathers Ltd. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) and other applicable law like Factory Act,1948, The Payment of Gratuity Act,1972 etc.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with The Calcutta Stock Exchange Association Ltd, Bombay Stock Exchange Ltd and National Stock Exchange Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as per annexure "B" enclosed.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Kolkata

Date: 27th May, 2017

**Note:- This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.**

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**S. A. & ASSOCIATES**

Company Secretaries

SWASTIK', 334 / 157 Jessore Road,  
 SN-8, (Ground Floor), Kolkata-700089  
 Ph: 2534 2445/ 9830591639 /25343481  
 Mobile: 98300 16001  
 Email Id: cs.sa.associates@gmail.com

**ANNEXURE A**

To,  
 The Members,  
 M/s. Sreeleathers Limited  
 (CIN: L67190WB1991PLC050656)  
 6, Totee Lane, P.S. Taltalla,  
 Kolkata – 700 016

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

Date: 27th May, 2017

Place: Kolkata

**ANNEXURE B**

Sl. No.	Form No/ Return	FiledU/S	Challan Date	Whether filed within due date	If failed,late additional fee paid	Remark (ROC RECEIPT (NO/SRN NO))
1	FORM MGT 14	179(3)	06.06.16	YES	N.A.	G04746210
			12.09.16	NO	YES	G11190162
			12.12.16	YES	N.A.	G29207255
			09.03.17	YES	N.A.	G37760550
2	FORM MGT 15	121(1)	05.10.16	YES	N.A.	G13582606
3	AOC-4XBRL	137	23.11.16	YES	N.A.	G23767320
4	FORM MGT 7	92	29.11.16	YES	N.A.	G27158344

Central Government : NIL

Regional Director : NIL

Other Authorities : NIL

Date: 27th May, 2017

Place: Kolkata

## Annexure C to Boards' Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I REGISTRATION & OTHER DETAILS

i	CIN	L67190WB1991PLC050656
ii	Registration Date	1991-01-14
iii	Name of the Company	M/S. SREELEATHERS LIMITED
iv	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
v	Address of the Registered office & contact details	6, TOTEE LANE, KOLKATA- 700016 Ph - 033-2286 1508
vi	Whether listed company	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	NICHE TECHNOLOGIES PVT. LTD. D-511 BAGREE MARKET 71, B.R.B. BASU ROAD KOLKATA-700001

### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Footwear Wholesale	51312	54.70%
2	Footwear Retail	52323	17.27%
3	Leather Goods and Accessories	52324	28.03%

### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	N.A				

## IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual / HUF	7187857	0	7187857	28.574	7287857	0	7287857	28.972	0.398
b) Central Government									
c) State Government									
d) Bodies Corporate	8757820	0	8757820	34.815	8757820	0	8757820	34.815	0.000
e) Banks / Financial Institutions									
f) Any Other									
<b>Sub-total (A)(1)</b>	<b>15945677</b>	<b>0</b>	<b>15945677</b>	<b>63.390</b>	<b>16045677</b>	<b>0</b>	<b>16045677</b>	<b>63.787</b>	<b>0.397</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corporate									
d) Banks / Financial Institutions									
e) Any Other									
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>15945677</b>	<b>0</b>	<b>15945677</b>	<b>63.390</b>	<b>16045677</b>	<b>0</b>	<b>16045677</b>	<b>63.787</b>	<b>0.397</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds									
b) Banks / Financial Institutions									
c) Central Governments									
d) State Governments									
e) Venture Capital Funds									
f) Insurance Companies									
g) Foreign Institutional Investors (FII)									
h) Foreign Venture Capital Funds									
i) Others (Specify)									
FPI - Corporate Cat- III					1305	0	1305	0.005	0.005
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>1305</b>	<b>0</b>	<b>1305</b>	<b>0.005</b>	<b>0.005</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	3735145	2328682	6063827	24.106	3163460	2817012	5980472	23.774	-0.332
ii) Overseas									
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	180980	32369	213349	0.848	216705	32369	249074	0.990	0.142
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2460959	69000	2529959	10.057	2157922	69000	2226922	8.853	-1.204
<b>c) Others Specify</b>									
1. NRI			5115	0	5115	0.020	0.020		
2. Overseas Corporate Bodies									
3. Foreign Nationals									
4. Clearing Members	402200	0	402200	1.599	646447	0	646447	2.570	0.971
5. Trusts									
6. Foreign Bodies - D.R.									
<b>Sub-total (B)(2)</b>	<b>6779284</b>	<b>2430051</b>	<b>9209335</b>	<b>36.610</b>	<b>6189649</b>	<b>2918381</b>	<b>9108030</b>	<b>36.208</b>	<b>-0.402</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>6779284</b>	<b>2430051</b>	<b>9209335</b>	<b>36.610</b>	<b>6190954</b>	<b>2918381</b>	<b>9109335</b>	<b>36.213</b>	<b>-0.397</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>GRAND TOTAL (A+B+C)</b>	<b>22724961</b>	<b>2430051</b>	<b>25155012</b>	<b>100.000</b>	<b>22236631</b>	<b>2918381</b>	<b>25155012</b>	<b>100.000</b>	<b>0.000</b>

## ii) Share Holding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of shares pledged/encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of shares pledged/encumbered to total Shares	
1	EASEL ADVERTISING PVT LTD	3239500	12.878	0.000	3239500	12.878	0.000	0.000
2	JYOTSNA DEY	500300	1.989	0.000	500300	1.989	0.000	0.000
3	KALPANA MITRA	4750	0.019	0.000	4750	0.019	0.000	0.000
4	PANCHAVATI TIE-UP PVT LTD	5024666	19.975	0.000	5024666	19.975	0.000	0.000
5	SATYA BRATA DEY	4108527	16.333	0.000	4208527	16.730	0.000	0.397
6	SHEKAR DEY	507740	2.018	0.000	507740	2.018	0.000	0.000
7	SHIPRA DEY	4890	0.019	0.000	4890	0.019	0.000	0.000
8	SHOELINE TRADING PRIVATE LIMITED	493654	1.962	0.000	493654	1.962	0.000	0.000
9	SUMANTA DEY	893200	3.551	0.000	893200	3.551	0.000	0.000
10	SUSHANTO DEY	1168450	4.645	0.000	1168450	4.645	0.000	0.000
<b>TOTAL</b>		<b>15945677</b>	<b>63.390</b>	<b>0.000</b>	<b>16045677</b>	<b>63.787</b>	<b>0.000</b>	<b>0.397</b>

## C) Change in Promoter's Shareholding

Sl. No.		Shareholding at the beginning of the Year		Cumulative shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	EASEL ADVERTISING PVT LTD.				
	a) At the Beginning of the Year	3239500	12.878		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			3239500	12.878
2	JYOTSNA DEY				
	a) At the Beginning of the Year	500300	1.989		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			500300	1.989
3	KALPANA MITRA				
	a) At the Beginning of the Year	4750	0.019		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			4750	0.019
4	PANCHAVATI TIE-UP PVT LTD.				
	a) At the Beginning of the Year	5024666	19.975		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			5024666	19.975
5	SATYA BRATA DEY				
	a) At the Beginning of the Year	4108527	16.333		
	b) Changes during the year				
	Date Reason				
	01/04/2016 Transfer	100000	0.398	4208527	16.730
	c) At the End of the Year			4208527	16.730
6	SHEKAR DEY				
	a) At the Beginning of the Year	507740	2.018		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			507740	2.018

7	SHIPRA DEY				
	a) At the Beginning of the Year	4890	0.019		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			4890	0.019
8	SHOELINE TRADING PRIVATE LTD.				
	a) At the Beginning of the Year	493654	1.962		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			493654	1.962
9	SUMANTA DEY				
	a) At the Beginning of the Year	893200	3.551		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			893200	3.551
10	SUSHANTO DEY				
	a) At the Beginning of the Year	1168450	4.645		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			1168450	4.645
<b>TOTAL</b>		<b>15945677</b>	<b>63.390</b>	<b>16045677</b>	<b>63.787</b>

#### D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holder of GDRs and ADRs)

Sl. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	BLACKCHERRY MARKETING PVT. LTD.					
	a) At the Beginning of the Year	407556	1.620			
	b) Changes during the year		[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			407556	1.620	
2	DEVESH DEALMARK PVT. LTD.					
	a) At the Beginning of the Year	234976	0.934			
	b) Changes during the year		[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			234976	0.934	
3	GANADHI VANIJYA PVT. LTD.					
	a) At the Beginning of the Year	319200	1.269			
	b) Changes during the year		[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			319200	1.269	
4	INTELLECT STOCK BROKING LTD.					
	a) At the Beginning of the Year	291647	1.159			
	b) Changes during the year					
	Date	Reason				
	24/02/2017	Transfer	470	0.002	292117	1.161
	03/03/2017	Transfer	1417	0.006	293534	1.167
	10/03/2017	Transfer	-1552	0.006	291982	1.161
	17/03/2017	Transfer	1165	0.005	293147	1.165
	24/03/2017	Transfer	-1500	0.006	291647	1.159
	31/03/2017	Transfer	28025	0.111	319672	1.271
	c) At the End of the Year			319672	1.271	

# Sreeleathers Limited

5	NEWZONE VANIJYA PVT. LTD.				
	a) At the Beginning of the Year	251935	1.002		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			251935	1.002
6	PANCHTANTRA TRADELINK PVT. LTD.				
	a) At the Beginning of the Year	287435	1.143		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			287435	1.143
7	SHIVRATRI TECHNOLOGIES PVT. LTD.				
	a) At the Beginning of the Year	219588	0.873		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			219588	0.873
8	SIDHSILVER INFOTECH PVT. LTD.				
	a) At the Beginning of the Year	225503	0.896		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			225503	0.896
9	SUBHRASHI PROPERTIES PVT. LTD.				
	a) At the Beginning of the Year	227547	0.905		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			227547	0.905
10	SWABHUMI DEALERS PVT. LTD.				
	a) At the Beginning of the Year	304937	1.212		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			304937	1.212
<b>TOTAL</b>		<b>2770324</b>	<b>11.013</b>	<b>2798349</b>	<b>11.124</b>

## E. Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SATYA BRATA DEY				
	a) At the Beginning of the Year	4108527	16.333		
	b) Changes during the year				
	Date Reason				
	01/04/2016 Transfer	100000	0.398	4208527	16.730
	c) At the End of the Year			4208527	16.730
2	SUMANTA DEY				
	a) At the Beginning of the Year	893200	3.551		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			893200	3.551
<b>TOTAL</b>		<b>5001727</b>	<b>19.884</b>	<b>5101727</b>	<b>20.281</b>

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	44,394.30	25,500,000.00	-	25,544,394.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,161,500.00	-	2,161,500.00
<b>Total (i+ii+iii)</b>	<b>44,394.30</b>	<b>27,661,500.00</b>	<b>-</b>	<b>27,705,894.30</b>
<b>Change in Indebtedness during the financial year</b>				
• Additions	-	-	-	-
• Reduction	44,394.30	2,161,500.00	-	2,205,894.30
<b>Net Change</b>	<b>-44,394.30</b>	<b>-2,161,500.00</b>	<b>-</b>	<b>-2,205,894.30</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0.00	25,500,000.00	-	25,500,000.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,220,435.00	-	2,220,435.00
<b>Total (i+ii+iii)</b>	<b>0.00</b>	<b>27,720,435.00</b>	<b>-</b>	<b>27,720,435.00</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
		<b>SATYA BRATA DEY</b> Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	6,000,000 PER ANNUM	6,000,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2	Stock option		
3	Sweat Equity		
4	Commission — as % of profit — others (specify)		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

## B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of the Director(s)			Total Amount
1	Independent Directors				
(a)	Fee for attending board committee meetings				
(b)	Commission				
(c)	Others, please specify				
	Total (1)				
2	Other Non Executive Directors				
(a)	Fee for attending board committee meetings				
(b)	Commission				
(c)	Others, please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act.				

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary BIJOY KUMAR ROY	CFO SUJAY BHATTACHARYA	
1.	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Rs. 3,14,999/-	Rs. 3,40,384/-	Rs. 655,383/-
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961			
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission — as % of profit — others, specify			
5.	Others, please specify			
	Total	Rs. 314,999/-	Rs. 340,384/-	Rs.655,383/-

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of The Companies	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give details)
A. COMPANY Penalty Punishment Compounding					
B. DIRECTORS Penalty Punishment Compounding					
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding					

## DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT AND ETHICS

As provided under Regulation 26(3) of the SEBI (LODR) Regulations, 2015, this is to confirm that all the members of the Board and the Senior Management personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2017.

Kolkata  
May 27, 2017

For Sreeleathers Limited

Satya Brata Dey  
Managing Director

## CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER ON CORPORATE GOVERNANCE

The Board of Directors  
M/s. Sreeleathers Limited

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer, of Sreeleathers Limited, (the company), to the best of our knowledge and belief certify that : and based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company SREELEATHERS LIMITED and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, certified that:

- a) We have reviewed the financial statements and the cash flow statement of Sreeleathers Limited for the financial year 2016-17 and that to the best of our knowledge and belief, we state that these statements :
  - I. Do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading:
  - II. Present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware of and the steps taken and/or proposed to be taken to rectify these deficiencies.
- d) We have also indicated to the Auditors and the Audit Committee.
  - (i) Significant changes in Internal Controls with respect to financial reporting during the year.
  - (ii) Significant changes in accounting policies during the Year and these have been disclosed in the notes to the financial statements.
  - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Kolkata  
May 27, 2017

Satya Brata Dey  
Managing Director

Sujay Bhattacharjee  
Chief Financial Officer

## AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The Members of Sreeleathers Limited

We have examined the compliance of conditions of Corporate Governance by Sreeleathers Limited for the year ended March 31, 2017 stipulated in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI (LODR) Regulations, 2015.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by The Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company to ensure Compliance with the condition of Corporate Governance. It is neither an audit nor an expression of an 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 generally complied with all the mandatory conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015.

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

For **K. Rungta & Co.**  
*Chartered Accountants*  
Firm Registration No. 321068E

Kolkata,  
May 27, 2017

**K. L. Rungta**  
*Proprietor*  
Membership No: 073418

## CORPORATE GOVERNANCE

(In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with Schedule V to the said Regulations)

### 1. PHILOSOPHY

Sreeleathers ("The Company") governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The company's Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders and the Charter-Business for Peace are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees.

The Company continues to focus its resources, strengths and strategies to achieve the vision of becoming a leader in leather and non leather footwear and accessories while upholding the core values of Quality, Trust, Leadership and Excellence.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of the Listing Regulations is given below:

### 2. BOARD OF DIRECTORS

The Board is broad-based and consists of eminent individuals from Industrial, Managerial, Technical, Financial and Marketing background. The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

#### a) Composition, Category of Directors and their other directorship as on March 31, 2017:

Name of Director	DIN	Category	No. of other Directorships	Committees	
				Position / Membership	Chairman
Shri Satyabrata Dey	00569965	Managing Director	1	-	-
Shri Sumanta Dey	00647680	Non-Executive Director	-	-	-
Smt. Sadhana Adhikary	02974882	Independent Director	-	-	-
Shri Tanmoy Shome	01286496	Independent Director	-	-	-

Note :

1. The above numbers exclude Directorship in Private, Foreign Companies and Companies which are granted License U/s 8 of the Companies Act, 2013.
2. Chairmanship / Membership of Committee only include Audit Committee and Share Holders Grievance Committee in Indian Public Companies other than Sreeleathers Limited.
3. Sri Satyabrata Dey and Sri Sumanta Dey are related to each other.

#### b) Number of Board Meetings:

During the year ended March 31, 2017, 5 (five) Board Meetings were held on May 28, August 13, November 14, 2016 & February 13, February 21, 2017. The interval between two Meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Regulation 17(2) of the Listing Regulations.

#### c) Directors' attendance record:

Name of Director	No. of Board Meetings Attended	Attendance at last AGM
Shri Satyabrata Dey	05	Yes
Shri Sumanta Dey	05	Yes
Smt. Sadhana Adhikary	05	Yes
Shri Tanmoy Shome	05	Yes

## Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

### 3. COMMITTEES OF THE BOARD

#### a) AUDIT COMMITTEE:

The Board of Directors of the Company has constituted an Audit Committee of the Board which conforms to the criteria in terms of the requirements of Section 177 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 18 of the SEBI ( Listing Obligations and Disclosures Requirements) Regulations, 2015. The Audit Committee of the Company meets every quarter, inter-alia, to review the financial results for the previous quarter before the same are approved at Board Meetings pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Audit Committee may also meet from time to time, if required.

##### i) Composition of the Audit Committee

The Audit Committee comprises of one Non-Executive Director, and two Non-Executive Independent Directors viz:

- a) Mr. Tanmoy Shome,
- b) Mr. Sumanta Dey
- c) Mrs. Sadhana Adhikary.

##### ii) Terms of Reference

The brief terms of reference of the Audit Committee include: –

- a) Review of the Company's financial reporting process and financial statements.
- b) Review of accounting and financial policies and practices.
- c) Review of Internal control systems.
- d) Discussion with Statutory Auditors on any significant findings and follow-up thereon.
- e) Reviewing the Company's financial and risk management policies.

##### iii) Meetings and attendance during the year:

The Committee has met four (4) times during the financial year ended 31st March 2017 i.e. on 28th May 2016, 13th August 2016, 14th November 2016 and 13th February 2017.

There was a proper quorum of members in all the convened meetings. The maximum gap between two meetings was not more than 120 days.

Name of the Member	Meeting attendance
Mr. Tanmoy Shome (Chairman)	4
Mr. Sumanta Dey	4
Mrs. Sadhana Adhikary	4

The Statutory Auditor of the Company is the special invitee to the Meeting of the Audit Committee.

#### b) NOMINATION & REMUNERATION COMMITTEE AND POLICY

The broad terms of reference of the Nomination & Remuneration Committee is to fix remuneration payable to the Whole time Directors in line with the Companies Act, 2013 and refer the same to the Board.

The composition of Nomination and Remuneration Committee is in accordance with provisions of section 178 of the Company's Act, 2013 and Regulation 19 of the Listing Regulations. The Nomination & Remuneration Committee comprises of three Directors.

Name of The Member	Designation	Position In the Committee
Tanmoy Shome	Non Executive & Independent	Chairman
Sadhana Adhikary	Non Executive & Independent	Member
Sumanta Dey	Non Executive & Non Independent	Member

The committee met 2 times during the financial year ended March 31, 2017. The attendance record of the members at the meeting were as follows:

Name of The Member	Designation	No Meetings of Attended
Tanmoy Shome	Chairman	2
Sadhana Adhikary	Member	2
Sumanta Dey	Member	2

The details of remuneration for the year ended March 31, 2017 to the Executive Directors are as follows:

Name	Designation	Remuneration
Satya Brata Dey	Managing Director	60.00 Lacs

## **POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Appointment and Remuneration (A&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

### ***Criteria of selection of Non Executive Directors***

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the A&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The A&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The A&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

### **Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;**

#### ***CEO & Managing Director - Criteria for selection / appointment***

For the purpose of selection of the MD, the A&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

#### ***Remuneration for the CEO & Managing Director***

At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the A&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the CEO & Managing Director comprises only of fixed component. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits.

#### ***Remuneration Policy for the Senior Management Employees***

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the A&R Committee shall ensure the relation-ship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the A&R Committee for its review and approval.

**c) STAKEHOLDER RELATIONSHIP COMMITTEE:**

In compliance with the requirement of sec 178 of the companies act, 2013, rules framed there under and SEBI (LODR) Regulations, 2015. The Shareholders relationship committee also acts as Share Transfer Committee.

The committee's role and responsibilities are to expeditiously process transfers, transpositions, transmissions, sub-divisions and consolidations of securities complying with SEBI Regulations and Listing requirements and redressal of Investors' grievances.

The Composition and attendance of the Stakeholder Relationship Committee is given below:

Name of the Member	No. of Meetings held	No. of Meetings Attended
Sumanta Dey , Chairman	03	03
Tanmoy Shome, Member	03	03
Sadhana Adhikary, Member	03	03

During the year 2016-17, no complaints were received from shareholders and investors as shown below:

**Part A**

Number of Complaints received directly	- Nil
Number of Complaints forwarded by Stock Exchanges	- Nil
Total Number of complaints/ comments as on 31.03.2017	- Nil
Number of Complaints Resolved	- Nil
Number of pending as on 31.03.2017	- Nil

**Part B**

Name of Complainant	- Nil
Date of Complaint	- Nil
Status (Resolved/pending)	- Nil

The Company Secretary of the Company acted as Secretary to the Committee.

**d) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

As required under section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, the company has formed a CSR committee consisting of the following members:

Name of The Member	Designation
Sumanta Dey	Chairman
Sadhana Adhikary	Member
Tanmoy Shome	Member

The committee met 2 times during the financial year ended March 31, 2017. The attendance record of the members at the meeting were as follows:

Name of the Member	Designation	No. of Meetings Attended
Sumanta Dey	Chairman	2
Sadhana Adhikary	Member	2
Tanmoy Shome	Member	2

Based on the recommendation of the CSR committee the board has adopted a corporate social responsibility policy (CSR Policy) to undertake CSR projects as stipulated in Schedule VII to the Company's Act, 2013 and as amended from time to time. The CSR policy of the company has been uploaded on the website of the company at [www.sreeleathers.com](http://www.sreeleathers.com) and is available there.

**e) PERFORMANCE EVALUATION COMMITTEE**

The company has formed a performance evaluation committee consisting of the following members:

Name of The Member	Designation
Tanmoy Shome	Chairman
Sadhana Adhikary	Member
Sumanta Dey	Member

The committee met 2 times during the financial year ended March 31, 2017. The attendance record of the members at the meeting were as follows

Name of the Member	Designation	No. of Meetings Attended
Tanmoy Shome	Chairman	2
Sadhana Adhikary	Member	2
Sumanta Dey	Member	2

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Managing Director and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

#### INDEPENDENT DIRECTORS MEETING:

During the year under review, the Independent Directors met on February 13, 2017, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Managing Director of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

#### 4. SHAREHOLDERS:

##### a. (i) Means of Communication:

The Quarterly Un-Audited Results and the Annual Audited Financial results of the company are sent to the stock exchanges immediately after they are approved by the Board and are also published in one vernacular news paper viz. "Sukhabar" and one English news paper viz. "The Political and Business Daily". Also they are uploaded on the company's website [www.sreeleathers.com](http://www.sreeleathers.com). The results are published in accordance with the guidelines of the Stock Exchanges.

(ii) In line with the existing provisions of the SEBI (Listing Obligation & Disclosure Requirement) Regulations 2015, the complaints and grievances of the investors can be mailed at [sreeleathers@sreeleathers.com](mailto:sreeleathers@sreeleathers.com) to receive.

(iii) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and NSE Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.

(iv) A separate dedicated section under "Investors Relation", on the Company's website gives information on shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

##### (v) Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the byelaws and business

rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

(vi) **Electronic Clearing Service**

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details in order to purchase and sale there Securities.

**b. Share Transfers Agents:**

M/s. Niche Technologies Pvt. Ltd., D- 511, Bagree Market, 71, B.R.B Basu Road, Kolkata – 700001.

**c. Share Transfer System:**

All physical share transfers are effected within 15 days of lodgment, subject to the documents being in order. The Board has delegated the authority for approval of transfer, transmission etc. to a committee comprising of two Non Executive Directors and one executive director. A summary of transfer/transmission of shares so approved by the committee is placed before the Board.

**d. General Body Meetings :**

Details of last three Annual General Meetings are as under.

Financial Year	Date	Time	Venue	Details of Special Resolutions Passed
2015-16	30-09-2016	10.30am	Jamuna Banquets, 31/2B, Marquis Street, Kolkata – 700016.	-
2014-15	30-09-2015	10.30am	Jamuna Banquets, 31/2B, Marquis Street, Kolkata – 700016.	-
2013-14	25-09-2014	10.30am	Jamuna Banquets, 31/2B, Marquis Street, Kolkata – 700016.	-

**e. Postal Ballot:**

For the year ended March 31, 2017 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

**5. ADDITIONAL SHAREHOLDERS INFORMATION:**

**a) Annual General Meeting Date :** September 15, 2017

**Venue:** Jamuna Banquets, 31/2B, Marquis Street, Kolkata - 700016.

**Time:** 10.30 A.M

**b) Financial Calendar**

Financial Year: April 01 to March 31 for the financial year 2017-18, the tentative dates for declaration of Quarterly unaudited results will be by August 14, 2017, November 15, 2017, February 15, 2018 and May 30, 2018

**c) Book Closure:**

The register of members and share transfer books of the company shall remain closed from September 9th, 2017 to September 15th, 2017 (both days inclusive).

**d) Listing in stock exchanges and stock codes**

The names of stock exchanges at which the equity shares are listed and respective stock codes are as under:

Name of the stock Exchanges	Stock Code No.
The Bombay Stock Exchange	535601
The National Stock Exchange	SREEL EQ
The Jaipur Stock Exchange	1048
The Calcutta Stock Exchange	013328

The ISN number allotted to the company for demat of shares are as under.

**NSDL:** INE099F01013

**CDSL:** INE099F01013

**e) Stock data:**

High/Low of Market price of Company's equity shares traded on the Bombay Stock Exchange Ltd. and National Stock Exchange Ltd. during the financial year ended on March 31, 2017 was as follows:

Month	BSE					NSE				
	High (Rs.)	Low (Rs.)	Volume (Nos.)	SENSEX		High (Rs.)	Low (Rs.)	Volume (Nos.)	NIFTY	
				High	Low				High	Low
April 16	147.50	130.90	220	26101	24523	128.00	105.00	2031	7992	7517
May 15	166.00	132.95	4520	26837	25058	160.00	120.65	595	8214	7678
June 16	150.50	126.70	3535	27105	25911	173.00	120.05	2492	8308	7927
July 16	165.35	150.00	1421	28240	27034	194.00	144.40	12906	8675	8288
Aug 16	165.35	157.50	52	28532	27628	182.00	160.00	6044	8819	8518
Sept 16	148.85	135.25	25	29077	27717	199.00	162.00	7998	8969	7555
Oct 16	159.35	110.00	3860	28478	27488	187.00	111.65	72129	8807	8506
Nov 16	134.00	104.00	649	28030	25718	136.00	108.00	13432	8670	7916
Dec 16	184.75	113.00	3941	26804	25754	180.00	97.10	28429	8275	7894
Jan 17	174.00	133.00	5417	27980	26447	192.50	147.00	6060	8673	8134
Feb 17	184.00	131.75	110569	29065	27590	170.00	133.15	21665	8982	8538
Mar 17	155.00	120.05	323514	29825	28716	146.90	121.00	572758	9218	8860

(\*) represents Not Traded

**f) Distribution of shareholding as on March 31, 2017**

Size of Holdings	No. of Share Holders	Percentage %	No. of Shares	Percentage %
Up to 500	1300	83.44	53011	0.21
501 to 1000	31	1.99	25872	0.10
1001 to 5000	57	3.66	152676	0.61
5001 to 10000	28	1.80	236374	0.94
10001 to 50000	85	5.45	1975253	7.85
50001 to 100000	22	1.41	1552056	6.17
100001 to above	35	2.25	21159770	84.12
Total	1194	100.00	2,51,55,012	100.00

**g) Share Holding Pattern:**

Sl. No.	Category	No. of Shares	% of Share Holding
1.	Promoters (Individual/Body Corporate)	16045677	63.79
2.	Mutual Funds/ UTI / Banks	-	-
3.	Private Corporate Bodies	5980472	23.77
4.	Resident Individuals	2475996	9.84
5.	NRIs / FIIs	6420	0.03
6.	Others – Clearing Members	646447	2.57
Total		25155012	100.00

**h) Reconciliation of share capital audit report**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the company's shares are Listed, the audit confirms that the total Listed and Paid-up Capital is in

agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

**i) Shares held in physical and dematerialized form:**

As on March 31, 2017, 2,22,36,631 shares (88.40%) were held in dematerialized form and the rest in physical form.

**j) Outstanding GDR's/ADR's/Warrant's/Convertible instruments and their impact on equity. NIL.**

**k) Address for correspondence**

Registered office: 6, Tottee Lane, Kolkata – 700016,  
Telephone: 033- 22861571,  
E-Mail: sreeleathers@sreeleathers.com,  
Website:www.sreeleathers.com

Contact Person: Mr. Bijoy Kumar Roy (Company Secretary & Compliance Officer)

Share Transfer Agent: Niche Technologies Private Limited  
D-511, Bagree Market,  
71, B.R.B Basu Road  
Kolkata – 700001

**l) Shares held in electronic form**

Shareholders holding shares in the electronic form may give instruction regarding bank details, which they wish to incorporate on their dividend warrants to their depository participants. As per the regulations of NSDL and CDSL the company is required to print the bank details on the dividend warrants, as furnished by these depositories to the Company.

**6. Disclosures:**

- a. Related Party Transaction: During the year the company has framed a policy on related party transaction setting out the manner of dealing with transactions between the company and related parties based on the provision of the Act and listing agreement requirements. The policy is also available on the website of the company [www.sreeleathers.com](http://www.sreeleathers.com). During the year, materially significant transactions with related parties, as per the policy adopted by the company, wherein the normal course of business, priced on an arm's length basis and did not have potential conflict with the interest of the company at large. All transaction with related parties entered into by the company are on arm's length basis and were approved by Audit Committee. The disclosure on related party transactions forms integral part of the notes to financial statement of the company and included in the annual report of the company 2016 – 17.
- b. The company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. There were no penalties imposed or any structures issued on the Company by the Stock Exchanges, SEBI or any other statutory authority relating to the above.
- c. The company has adopted a Whistle Blower Policy and constituted a Vigil Mechanism Committee under the Chairmanship of the Chairman of the Audit Committee. There has been no incidence reported to the Vigil Mechanism Committee or the Chairman of the Audit Committee during the period under review.
- d. Quarterly Reports on compliance of Corporate Governance in the prescribed format have been submitted to the stock exchanges where the shares of the company are listed within the stipulated time. The company has generally complied with all mandatory requirements to the extent applicable to the company.
- e. Financial Statements of the company have been prepared in accordance with the Accounting Standards issued by The Institute of Chartered Accountants of India, so as to represent a true and fair view of the state of affairs of the company.
- f. The Management confirms that the financial statements have been prepared to comply in all material respects with the accounting standards notified under the Companies Act, 2013.

The internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures have been followed.

The financial statements have been audited by M/s K. Rungta & Co., Chartered Accountants, the statutory auditors of the company and have been discussed with the audit committee, before the same are approved and taken on record by the Board of Directors.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2017.

### (A) INDUSTRY STRUCTURE AND DEVELOPMENT

The global footwear industry has been experiencing a rapid expansion and witnessing a significant growth, primarily due to increased demand for trendy yet comfortable footwear among all age groups and innovative footwear products worldwide. Due to advancements in manufacturing processes, technology innovation and integration, trendy and comfortable shoes are being continuously developed at reasonable prices in order to keep pace with the growing demand for these products in emerging countries in the world. Rapid urbanization, demographic changes including ever increasing middle class population with their disposable income, changing lifestyles, health awareness etc. are now leading to men and women wear varieties of footwear in their daily lives.

The Global Footwear Market, by geography, is divided into four regions: North America, Europe, Asia Pacific and rest of the world. In terms of volume, Asia Pacific is the largest contributor to the market, accounting for a market share of approx. 40% and has been growing at a steady pace since past few years and is expected to continue the growth path at the same pace in the years to come. Presently, in terms of revenue, Global Footwear Market is valued at approx. USD 220 Billion and is expected to exceed USD 260 Billion by 2023, growing at 2.5% CAGR. In terms of volume, Global Footwear Market is approx. 16 Billion pairs. India is the second largest producer of footwear in the world, next to China and has an ever-growing domestic market.

India is the second largest producer of footwear in the world, next to China and has an ever growing domestic market. Annually, India produces about 2.5 Billion pairs and it is estimated that production of footwear will exceed 4 billion pairs by 2020. The per capita consumption of footwear in India is set to grow rapidly from its existing level of 1.7 pairs per annum. The global average per capita consumption of footwear is 3 pairs per annum, whereas the same for developed countries in the world is more than 5 pairs per annum.

The footwear industry is an important driver in the economic growth of India and is a significant segment of the leather industry. The Indian footwear market is divided into organized and unorganized segment, where the latter occupies about 65% of the overall market. In the recent past, the organized footwear sector has witnessed a faster growth and is expected to grow at 15% over the next few years.

### (B) OPPORTUNITIES, THREATS AND CONCERNS:

The Company is aware of the changes in the external business environment. The ever growing competition both from domestic and foreign players in the industry will continue to remain aggressive. The Indian footwear market is witnessing a steady popularity among teenagers and youths. They are using online platforms, inter alia, for purchase of footwear which is slowly occupying a significant share of total sales volume. The brick and mortar Retail Industry shall witness intensifying competition from the e-commerce offerings. Your company shall continue to adopt innovative strategies and take all necessary steps to maintain its leadership position in the organized footwear market.

A surge in adoption of e-commerce among the customers has been bolstering prospects for online sales of footwear in India and your Company is leading this revolution through our customized online shopping website.

A steady rise in number of working women and their growing fashion consciousness shall continue to drive higher demand of footwear in the future.

### (C) OUT LOOK

With changing lifestyle and increasing affluence, domestic demand for footwear is projected to grow at a faster rate than the country has ever seen. India has a good potential for the footwear industry in view of its young population, rapid change in lifestyle, increase in disposable income of middle-class people and continuous growth in number of working women. Customers' preference for branded products will provide a better opportunity to the players in organized footwear markets in India. Your Company is taking appropriate steps to tap these opportunities in order to improve its market share and retain its leadership position in the organized footwear segment.

Despite a challenging retail environment and increase in competitive intensity, Sreeleathers continues to deliver steady improvement in its performance. Sreeleathers is taking appropriate steps to leverage its position to achieve good growth in terms of volumes and profitability.

India has a good potential for the footwear industry in view of rapid change in lifestyle, increase in disposable income of middle-class people.

**Desire for Status:** With increased desire of individuals to improve their standard of living, the leather industry is getting exposed to new category of client (individuals) in a big way with large share of business coming from this segment.

## **(D) CORPORATE VALUES**

Hardly a few brands in the world can claim the position that Sreeleathers has won for itself in the hearts of millions of consumers, with its corporate values of Excellence, Quality and Trust.

- Excellence

At Sreeleathers, we believe in achieving excellence in all we do. Be it crafting world-class quality products, implementing best industry practices or delivering delightful service experience, the quest for excellence is integral to Sreeleathers.

- Quality

An iconic brand that has been at the helm of innovation, Sreeleathers has always been recognized for its high quality product offerings. The testimony to Sreeleathers success is its loyal consumer base spanning domestic markets.

- Trust

Having stayed relevant for over decades, the trust bestowed on Sreeleathers by our consumers has enabled Sreeleathers to become an iconic brand. Being one of India's most trusted and apparel brands, we believe that conducting business in a fair, transparent and ethical manner is pivotal in building strong relationships.

- Legacy

Having enjoyed the patronage of millions of consumers, Sreeleathers as a brand has been consistently delivering world class quality products and services to its consumers since the past decades. A brand that has earned the trust and respect of its consumers, employees, business partners and all relevant stakeholders throughout its journey is a manifestation of the organizational values of Excellence, Quality & Trust. Having created world-class pioneering innovations, Sreeleathers has not just stayed relevant but has consistently commanded a leadership position. Over the decades, Sreeleathers has spread its wings from a single-product focus into a multi product business comprising Footwear, Accessories (Belt, Wallet & Bags), etc.

## **(E) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has engaged the services of an independent Chartered Accountant to carry out the internal audit and ensure that recording and reporting are adequate and proper, the internal controls exist in the system and that sufficient measures are taken to update the internal control system. The system also ensures that all transaction are appropriately authorised, recorded and reported. Exercises for safe-guarding assets and protection against unauthorized use are undertaken from time to time. All these measures are continuously reviewed by the management and as and when necessary improvements are affected.

## **(F) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial performance during the year under reference has been impressive in terms of sales. There has been a decent increase in the turnover and the volume of profits. The management is committed to further improve the performance both operationally and financially.

## **(G) CORPORATE SOCIAL RESPONSIBILITY**

The management of your company is of the opinion that the company's contribution to the society should be the top priority of the company. Hence, the company has made contributions towards Bharat Sevashram Sangha, Institute of Child Health Trust, Shyamali Bhalotia Memorial Trust, Calcutta Club Ltd. Centenary Scholarship Fund & Vivekananda Yoga Anusandhana Samsthana. Also, the Corporate Social Responsibility committee formed by the Board is continuously looking forward for projects in which your company can make a contribution.

## **(H) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.**

As on March 31, 2017 the company had 48 permanent employees at its showroom, godown and administrative office.

The company recognizes the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them. The company takes initiative for training the employees at regular interval.

The company enjoyed excellent relationship with workers and staff during the last year.

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**INDEPENDENT AUDITORS' REPORT****To The Members of Sreeleathers Limited****Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **Sreeleathers Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the accounting standards specified under section 133 of the act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

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

- (i) in the case of the Balance sheet, of the state of affairs of the company as at March 31, 2017;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure I", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013.
- e. on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
- f. with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, we give our separate reports in "Annexure II".
- g. with respect to the other matters included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and according to the explanation given to us:
  - 1) The company has disclosed the impact of pending litigation, if any, on its financial position in its financial statement.
  - 2) The company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - 3) There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company.
  - 4) In the financial statements holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 by the company has been requisitely disclosed, on the basis of information available with the company. Based on audit procedure relying on management representation we report that the disclosures are in accordance with books of accounts maintained by the company as produced to us by the management – Refer Note – 2.29.

For **K. Rungta & Co.**  
*Chartered Accountants*  
Firm's registration number: 321068E

Kolkata  
May 27, 2017

**K. L. Rungta**  
*Proprietor*  
Membership number: 073418

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## ANNEXURE TO AUDITOR'S REPORT

Companies (Audit Report) Order, 2016

Statement referred to our report of even date to the Members of Sreeleathers Limited on the financial statements for the year ended 31st March, 2017, we report that:

- i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed by the management of the company, on such verification.
- (c) The title deeds of immovable properties recorded in the books of accounts of the company are held in the name of the company.
- ii) (a) The Inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion the procedure of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company and nature of its business.

- (c) On the basis of our examination of inventory records, in our opinion, the company is maintaining proper record of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) The company has not granted loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of this sub clause (b) & (c) are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v) In our opinion and according to information and explanation given to us, the company has not accepted deposits under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- vi) The Central Government has not prescribed for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for the company.
- vii) (a) The company, as per information given, is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of Customs, Duty of Excise, Value Added Tax, cess and any other statutory dues applicable to it with appropriate authorities.
- (b) According to the information and explanation given to us, there are no dues of income tax, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- viii) As per the information and explanation given and according to records provided to us, the company has not defaulted in repayment of dues to the financial institutions or bank or debenture holders.
- In our opinion and according to the information and explanations given to us, the Company has not taken any term loans during the year. The Company has not raised moneys by way of public offer (including debt instruments).
- ix) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- x) The company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xi) As the Company is not a Nidhi Company and the Nidhi rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xii) The Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- xiii) The Company has not made any preferential allotment or private placement of shares fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xiv) The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **K. Rungta & Co.**  
*Chartered Accountants*  
Firm's registration number: 321068E

**K. L. Rungta**  
*Proprietor*

Membership number: 073418

Kolkata  
May 27, 2017

## ANNEXURE II TO INDEPENDENT AUDITORS' REPORT

Statement referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of Sreeleathers Limited on the standalone financial statements for the year ended March 31, 2017.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of Sreeleathers Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal Control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal Financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and Completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that

the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K. Rungta & Co.**  
*Chartered Accountants*  
Firm's registration number: 321068E

Kolkata  
May 27, 2017

**K. L. Rungta**  
*Proprietor*  
Membership number: 073418

## BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Note	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)
<b>A</b>			
<b>EQUITIES &amp; LIABILITIES</b>			
1			
SHARE HOLDERS FUNDS			
(a) Share Capital	2.1	251,550,120.00	251,550,120.00
(b) Reserves & Surplus	2.2	1,954,054,410.88	1,820,024,267.97
Total - Share Holders Fund		2,205,604,530.88	2,071,574,387.97
2			
NON CURRENT LIABILITIES			
(b) Other long term liabilities	2.3	15,306,380.70	15,309,908.70
Total - Non Current Liabilities		15,306,380.70	15,309,908.70
3			
CURRENT LIABILITIES			
(a) Trade Payables	2.4	47,028,438.38	33,776,516.55
(b) Other current liabilities	2.5	40,952,070.61	33,390,221.11
(c) Short Term Provisions	2.6	73,798,785.31	64,643,331.31
Total - Current Liabilities		161,779,294.30	131,810,068.97
<b>TOTAL - Equities &amp; Liabilities</b>		<b>2,382,690,205.88</b>	<b>2,218,694,365.64</b>
<b>B</b>			
<b>ASSETS</b>			
1			
NON-CURRENT ASSETS			
(a) Fixed Assets			
i. Tangible assets	2.7	1,580,990,209.03	1,592,466,064.91
Total - Fixed Assets		1,580,990,209.03	1,592,466,064.91
(b) Non- Current Investments	2.8	900,000.00	900,000.00
(c) Deferred Tax Assets (Net)	2.27	9,287,557.25	7,592,273.29
(d) Other non-current assets	2.9	3,602,395.72	3,930,881.39
Total - Non Current Assets		1,594,780,162.00	1,604,889,219.59
2			
CURRENT ASSETS			
(a) Current Investments	2.10	550,235,839.69	275,271,950.27
(b) Inventories	2.11	95,295,744.84	82,846,973.00
(c) Trade receivables	2.12	8,390,406.00	1,387,143.58
(d) Cash & cash equivalents	2.13	57,507,937.89	180,649,530.96
(e) Short term loans & advances	2.14	73,892,202.22	62,030,285.10
(f) Other current assets	2.15	2,587,913.24	11,619,263.14
Total - Current Assets		787,910,043.88	613,805,146.05
<b>TOTAL - Assets</b>		<b>2,382,690,205.88</b>	<b>2,218,694,365.64</b>

### Significant Accounting Policies & other Explanatory Notes & Information

1, 2.23 - 2.33

As per our report of even day attached

For **K. Rungta & Co.**  
Chartered Accountants  
Firm Regn. No. 321068E  
**K. L. Rungta**  
Proprietor  
Membership No. 073418  
Kolkata, 27 May, 2017

On behalf of the Board of Directors  
**B. K. Roy**  
Company Secretary  
**Satya Brata Dey**  
Managing Director  
(DIN: 0000000)  
**Sujay Bhattacharjee**  
Chief Financial Officer  
**Sadhna Adhikary**  
Director  
(DIN: 0000000)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Note	Year Ended 31st March 2017 (Rs.)	Year Ended 31st March 2016 (Rs.)
<b>I REVENUE</b>			
Revenue from operations	2.16	995,853,233.18	797,330,755.21
Other income	2.17	14,248,018.17	31,435,583.68
<b>Total Revenue</b>		<b>1,010,101,251.35</b>	<b>828,766,338.89</b>
<b>II Expenses:</b>			
Purchases of Stock-in-Trade	2.18	711,852,835.79	583,748,512.04
Changes in inventories of Stock-in-Trade and goods in transit	2.19	(12,448,771.84)	(16,436,506.01)
Employees Benefit Expenses	2.20	24,083,313.52	19,933,090.24
Finance costs	2.21	2,769,971.59	2,663,421.64
Depreciation and amortization expense	2.7	12,460,176.87	12,366,518.08
Other expenses	2.22	65,992,749.13	52,232,557.70
<b>Total expenses</b>		<b>804,710,275.06</b>	<b>654,507,593.69</b>
<b>III Profit before Tax and Extraordinary Items (I - II)</b>		<b>205,390,976.29</b>	<b>174,258,745.20</b>
<b>IV Extraordinary Items</b>		-	-
<b>V Profit before tax (III - IV)</b>		<b>205,390,976.29</b>	<b>174,258,745.20</b>
<b>VI Tax expense:</b>			
(1) Current tax		(71,875,194.31)	(62,743,808.31)
(2) Deferred tax	2.27	1,695,283.96	1,481,451.00
(3) Earlier Year Tax		(1,180,923.03)	-
<b>VII Profit (Loss) for the period (XI + XIV)</b>		<b>134,030,142.91</b>	<b>112,996,387.89</b>
<b>VIII Earnings per equity share:</b>			
(1) Basic		5.33	4.49
(2) Diluted		5.33	4.49

### Significant Accounting Policies & other Explanatory Notes & Information

1, 2.23 - 2.33

As per our report of even day attached

For **K. Rungta & Co.**

Chartered Accountants

Firm Regn. No. 321068E

**K. L. Rungta**

Proprietor

Membership No. 073418

Kolkata, 27 May, 2017

On behalf of the Board of Directors

**B. K. Roy**

Company Secretary

**Sujay Bhattacharjee**

Chief Financial Officer

**Satya Brata Dey**

Managing Director

(DIN: 0000000)

**Sadhna Adhikary**

Director

(DIN: 0000000)

## CASH FLOW STATEMENT AS AT 31ST MARCH 2017

Sl. Particulars	As at 31st March 2017		As at 31st March 2016	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit (Loss) Before Tax		205,390,976.29		174,258,745.20
Adjustment For :				
Depreciation	12,460,176.87		12,366,518.08	
Finance Cost	2,769,971.59		2,663,421.64	
Interest Income	(6,580,106.32)		(16,608,654.30)	
Rent Received	(5,658.00)		(8,316.00)	
Profit on sale of Investment	(7,136,627.37)		(14,573,392.21)	
Earlier Year Tax	(1,180,923.03)	326,833.74	-	(16,160,422.79)
Operating Profit before Working Capital Changes		205,717,810.03		158,098,322.41
Adjustment To:				
Stock in Trade	(12,448,771.84)		(16,436,506.01)	
Trade Receivables	(7,003,262.42)		4,494,582.18	
Short Term Loans & Advances	(11,861,917.12)		(25,690,941.24)	
Other current Assets	9,031,349.90		(9,477,465.71)	
Non current assets	328,484.94		(5,551.84)	
Trade Payables	13,251,921.83		15,016,818.96	
Provision	9,155,454.00		22,095,817.31	
Other current and non current liabilities	7,561,849.50	8,015,108.79	543,031.29	(9,460,215.06)
Cash Generate from Operation		213,732,918.82		148,638,107.35
Tax Paid including interest thereon	(71,875,194.31)	(71,875,194.31)	(62,743,808.31)	(62,743,808.31)
<b>Net Cash Generated from/ (Used in) Operating Activities</b>		<b>141,857,724.51</b>		<b>85,894,299.04</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Rent Received	5,658.00		8,316.00	
Interest Income	6,580,106.32		16,608,654.30	
Purchase/Sale of Fixed Asset(Net)	(984,321.00)		(82,205.12)	
Investment In Mutual Fund(Net)	(267,827,262.05)		26,931,290.97	
Other long term liabilities	(3,528.00)		3,528.00	
Increase In Fixed Deposits	101,135,178.89		(107,268,552.87)	
<b>Net Cash Generated From/ (Used In) Investing Activities</b>		<b>(161,094,167.84)</b>		<b>(63,798,968.72)</b>

## CASH FLOW STATEMENT AS AT 31ST MARCH 2017

Sl.	Particulars	As at 31st March 2017		As at 31st March 2016	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Instalment Paid	-		(44,396.00)	
	Finance Cost	(2,769,971.59)		(2,663,421.64)	
	<b>Net Cash Generated From/ (Used In) Financing Activities</b>		<b>(2,769,971.59)</b>		<b>(2,707,817.64)</b>
	Net Increase/(Decrease) in cash and cash Equivalent (A + B + C)		(22,006,414.92)		19,387,512.68
	Cash and Cash Equivalents (Opening Balance)		26,787,783.96		7,400,271.28
	Cash and Cash Equivalents (Closing Balance)		4,781,369.04		26,787,783.96
	Cash and Cash Equivalents Comprises of:				
	Cash & Cheque in Hand		2,466,283.16		4,125,195.13
	Balance with Schedule banks		2,315,085.88		22,662,588.83

As per our report of even day attached

For **K. Rungta & Co.**

Chartered Accountants

Firm Regn. No. 321068E

**K. L. Rungta**

Proprietor

Membership No. 073418

Kolkata, 27 May, 2017

On behalf of the Board of Directors

**B. K. Roy**

Company Secretary

**Sujay Bhattacharjee**

Chief Financial Officer

**Satya Brata Dey**

Managing Director

(DIN: 0000000)

**Sadhna Adhikary**

Director

(DIN: 0000000)

## NOTES TO FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting:**

These financial statements have been prepared under historical cost convention from books of accounts maintained on an accrual basis (unless otherwise stated hereinafter) in conformity with accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013, of India. The accounting policies applied by the company are consistent with those used in previous year.

#### **Use of Estimates:**

The preparation of the financial statements in conformity with the Indian GAAP requires Company management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities as on the date of the financial statements. Actual results could differ from these estimates and assumptions. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### **Fixed Asset / Depreciation:**

Fixed Assets are stated at cost less depreciation. In the case of new projects successfully implemented, substantial expansion of existing units and expenditure resulting into enduring benefit, all pre-operative expenses incurred up to the date of installation are capitalized and added pro – rata to the cost of fixed assets.

- (a) All fixed assets are stated at cost of acquisition, less accumulated depreciation. In case of fixed assets acquired for new projects/expansion, all related expenses incurred upto the date are capitalized.
- (b) Depreciation has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

Depreciation has been provided and adjustment has been made in Fixed Assets account to arrive at proper residual value in accordance with the Companies Act, 2013.

Depreciation for the year includes amortization of Rs. 8,205.12 ( Pr. Yr. Rs 8,205.12) towards lease regn. Expenses.

#### **Foreign Currency Transaction:**

Transaction in Foreign Currency is recorded at the exchange rate prevailing on the date of transaction. Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currency outstanding at the close of the year are translated in Indian Currency at the applicable rates of exchange prevailing on the date of Balance Sheet. Difference if any, resulting in income or expenses dealt with in profit & loss account under the head Foreign Exchange Fluctuation Gain.

#### **Prior Period adjustments, Extra Ordinary Items and Changes in Accounting Policies:**

Prior Period adjustments, extraordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.

#### **Borrowing Costs:**

Borrowing Costs that are directly attributable to and incurred on acquiring qualifying assets (assets that necessarily takes a substantial period of time for its intended use) are capitalized. Other borrowing costs are recognized as expenses in the period in which same are incurred.

#### **Segment Accounting:**

The Company operates in a single segment of resale of footwear and accessories hence all the figures represents only a single reportable segment.

#### **Impairment of Assets:**

In accordance with Accounting Standard 28 – Impairment of Assets, the carrying amount of the company's assets including intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount.

An impairment loss is charged to the statement of Profit and loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting period is reversed if there has been change in the estimate of the recoverable amount.

## **Investment**

Investments are classified into current and Long-term investments. A provision for diminution is made to recognize a decline, other than temporary, in the value of Long-term investments. Gain/loss on disposal of investments is recognized as income/expenditure.

## **Inventories:**

Closing Stock is valued at cost price or market price, whichever is lower. Cost of goods is arrived at on FIFO basis.

## **Employee Benefit:**

- (a) Defined Contributions Plans such as Provident Fund etc., for company's own employees are charged to the Profit & Loss Account.
- (b) The Company also has hired employees from outside agency & all statutory formalities in respect of those employees, if any, are to be complied by such agency as per their Contracts.
- (c) Gratuity: Based on the completed number of years in service by all the employees of the Company, the provision of Gratuity amounting to Rs. 18.19 lacs (Pr. Year Rs. 17.98 lacs) has been made as per AS 15 issued by the Institute of Chartered Accountants of India.

## **Revenue recognition:**

Revenues/Incomes and Costs/Expenditure are generally accounted on accrual, as they are earned or incurred. Sale of Goods is recognised on transfer of significant risks and rewards of ownership which is generally dispatched of goods.

Interest income is recognised on a time proportion basis talking into account the amount outstanding and the rate applicable

Dividend income is recognised when the right to receive dividend is established.

## **Taxes on Income:**

Tax on income for the current period is determined on the basis of taxable Income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax is recognised on timing difference between the accounting income and the taxable income for the period and quantified using the tax rates and laws enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Minimum Alternative Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal tax during the specified period.

## **Provisions and Contingent Liabilities:**

Provisions are recognized in terms of Accounting Standards 29 – “Provisions, Contingent Liabilities and Contingent Assets” as notified by the Companies (Accounting Standards) Rules, 2006, when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are not recognized but disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statement.

## **Proposed Dividend:**

Dividend Proposed by the Board, if any is provided in the books of account pending approval at the Annual General Meeting.

## **Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding and to the extent ascertainable during the year are adjusted for the effects of all dilutive potential equity shares.

# Sreeleathers Limited

<i>Particulars</i>	<i>As at 31st March 2017</i>		<i>As at 31st March 2016</i>	
	<i>(Rs.)</i>		<i>(Rs.)</i>	
<b>2.1 SHARE CAPITAL</b>				
<b>Authorised</b>				
26000000 equity shares of Rs. 10 each	260,000,000.00		260,000,000.00	
<b>Issued, Subscribed &amp; Paid-up</b>				
25155012 equity shares fully paid	251,550,120.00		251,550,120.00	
<b>Total</b>	<b>251,550,120.00</b>		<b>251,550,120.00</b>	
<b>Reconciliation of Number of Shares</b>				
<i>Particulars</i>	<i>31st March '17</i>		<i>31st March '16</i>	
	<i>Number</i>	<i>Amount</i>	<i>Number</i>	<i>Amount</i>
Balance at the beginning of the year	25,155,012	251,550,120.00	25,155,012	251,550,120.00
Balance at the end of the year	25,155,012	251,550,120.00	25,155,012	251,550,120.00
<b>Rights, Preferences and Restrictions attached to shares</b>				
Equity Shares: The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts.				
<b>Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>				
<i>Particulars</i>	<i>31st March '17</i>		<i>31st March '16</i>	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Easel Advertising Private Limited	3,239,500	12.88	3,239,500	12.88
Panchavati Tie-up Private Limited	5,024,666	19.97	5,024,666	19.97
Satya Brata Dey	4,208,527	16.73	4,108,527	16.33
<i>Particulars</i>	<i>As at 31st March 2017</i>		<i>As at 31st March 2016</i>	
	<i>(Rs.)</i>		<i>(Rs.)</i>	
<b>2.2 RESERVES &amp; SURPLUS</b>				
<b>Securities Premium</b>	1,407,742,545.00		1,407,742,545.00	
	1,407,742,545.00		1,407,742,545.00	
Surplus in Profit & Loss Statement				
Balance at the beginning of the year	412,281,722.97		299,285,335.08	
Profit/ (loss) for the year	134,030,142.91		112,996,387.89	
Profit available for appropriation	546,311,865.88		412,281,722.97	
Excess/Short Depreciation Charged	-		-	
<b>Total</b>	<b>546,311,865.88</b>		<b>412,281,722.97</b>	
<b>Total- Reserves &amp; Surplus</b>	<b>1,954,054,410.88</b>		<b>1,820,024,267.97</b>	
<b>2.3 OTHER LONG TERM LIABILITIES</b>				
Security Deposit from agents	15,150,000.00		15,150,000.00	
Security Deposits (Construction)	20,183.00		20,183.00	
Refundable Retainership Money	79,308.00		82,836.00	
Uncleared Cheques of CRB Capital Market	56,889.70		56,889.70	
<b>Total</b>	<b>15,306,380.70</b>		<b>15,309,908.70</b>	
<b>2.4 TRADE PAYABLES</b>				
Sundry Creditors	47,028,438.38		33,776,516.55	
<b>Total</b>	<b>47,028,438.38</b>		<b>33,776,516.55</b>	

<i>Particulars</i>	<i>As at 31st March 2017 (Rs.)</i>	<i>As at 31st March 2016 (Rs.)</i>
<b>2.5 OTHER CURRENT LIABILITIES</b>		
Interest payable on security deposits	96,750.00	22,500.00
TDS Payable	617,360.00	568,036.14
Sales Tax TDS	1,346.00	614.00
VAT Payable	943,688.02	582,809.68
Entry Tax Payable	126,726.00	93,184.00
Service Tax Payable	8,528.00	901.00
CST Payable	438,928.00	95,688.00
Unclaimed Dividend (2008 - 09)	-	26,693.50
Unclaimed Dividend (2009-10)	132,022.00	132,022.00
Unclaimed Dividend (2010 - 11)	98,630.00	98,630.00
Unclaimed Dividend (2011 - 12)	49,372.00	49,372.00
Unclaimed Dividend (2012 - 13)	78,677.75	78,677.75
Unsecured Loans	27,720,435.00	27,661,500.00
Auditors Remuneration	1,125,000.00	500,000.00
Creditors for expenses	1,932,032.00	3,311,034.74
Car Loan current maturity	-	44,394.30
Others	-	124,164.00
Advance From Customer	7,582,575.84	-
<b>Total</b>	<b>40,952,070.61</b>	<b>33,390,221.11</b>
Loan Amount: Rs 206,000 taken for the purchase of Motor Car repayable on 45 EMIs of Rs. 4714 beginning from February'12		
<b>2.6 SHORT TERM PROVISIONS</b>		
Providend Fund	65,498.00	69,093.00
ESI Payable	33,182.00	26,988.00
Professional Tax	5,680.00	5,750.00
Provision for Income Tax	71,875,194.31	62,743,808.31
Provision for Gratuity	1,819,231.00	1,797,692.00
<b>Total</b>	<b>73,798,785.31</b>	<b>64,643,331.31</b>

## 2.7 FIXED ASSETS

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	As at 01.04.2016	Excess Depn	For the Year	Deductions	As at 31.03.2017	As at 31.03.2016
A. Tangible Assets										
Land	1,186,205,653.00	-	-	1,186,205,653.00	-	-	-	-	-	1,186,205,653.00
Building	398,814,937.00	-	-	398,814,937.00	42,206,996.84	-	6,294,786.00	-	48,501,782.84	350,313,154.16
Refrigerator	57,500.00	-	-	57,500.00	6,441.86	-	3,640.00	-	10,081.86	47,418.14
Office Equipment	13,490.00	36,000.00	-	49,490.00	3,834.12	-	6,779.00	-	10,613.12	38,876.88
Electrical Installation	4,986,790.71	-	-	4,986,790.71	863,262.01	-	488,691.32	-	1,351,953.33	3,634,837.38
Air Conditioner	2,482,668.54	35,500.00	-	2,518,168.54	820,260.08	-	171,899.97	-	992,160.05	1,526,008.49
Furniture & Fixture	40,756,199.64	-	-	40,756,199.64	17,492,769.71	-	4,470,045.31	-	21,962,815.02	18,793,384.62
Television	170,000.00	-	-	170,000.00	58,355.57	-	17,986.00	-	76,341.57	93,658.43
Computer	1,700,075.99	837,921.00	-	2,537,996.99	1,449,825.14	-	286,780.14	-	1,736,605.28	801,391.71
Motor Vehicle	1,090,635.66	-	-	1,090,635.66	702,016.33	-	106,441.41	-	808,457.74	282,177.92
Goodwill	12,190,682.26	-	-	12,190,682.26	-	-	-	-	-	12,190,682.26
Elevator	5,148,637.00	-	-	5,148,637.00	670,532.03	-	333,259.00	-	1,003,791.03	4,144,845.97
Fire Alarm System	3,324,293.00	-	-	3,324,293.00	530,054.61	-	210,504.00	-	740,558.61	2,583,734.39
Mobile Phone	269,205.33	74,900.00	-	344,105.33	126,530.45	-	51,849.00	-	178,379.45	165,725.88
Camera	50,555.00	-	-	50,555.00	9,993.71	-	3,240.00	-	13,233.71	37,321.29
CCTV Camera	55,604.00	-	-	55,604.00	18,895.76	-	4,216.00	-	23,111.76	32,492.24
Security System	148,877.00	-	-	148,877.00	41,334.42	-	10,059.72	-	51,394.14	97,482.86
Water Cooler	27,280.00	-	-	27,280.00	25,916.00	-	0.00	-	25,916.00	1,364.00
<b>TOTAL</b>	<b>1,657,493,084.13</b>	<b>984,321.00</b>	-	<b>1,658,477,405.13</b>	<b>65,027,019.00</b>	-	<b>12,460,176.87</b>	-	<b>77,487,195.87</b>	<b>1,580,990,209.03</b>
Previous Year	1,657,419,084.13	74,000.00	1,657,493,084.13	1,657,419,084.13	52,668,706.04	-	12,358,312.96	-	65,027,019.00	1,592,466,064.91

## 2.8 NON-CURRENT INVESTMENTS

Particulars	31st March '17		31st March '16	
	Number	Amount	Number	Amount
Investment in Equity Shares:				
Unquoted:				
Associates:				
Shoeline Trading Pvt Ltd. (F.V. Rs 10)	90,000	900,000.00	90,000	900,000.00
Total	90,000	900,000.00	90,000	900,000.00

## 2.9 OTHER NON-CURRENT ASSETS

Particulars	As at 31st March '17		As at 31st March '16	
		(Rs.)		(Rs.)
VAT Refundable		-		208,431.00
Tax Deducted at Source (Previous Years)		-		157,851.03
Security Deposit		3,494,840.44		3,448,839.36
Deferred Revenue Expenditure		107,555.28		115,760.00
Total		3,602,395.72		3,930,881.39

## 2.10 CURRENT INVESTMENTS

Particulars	31st March '17		31st March '16	
	Number	Amount	Number	Amount
Investment in Mutual Fund				
Sundram Bond Saver	188,383.046	7,500,000.00	188,383.046	7,500,000.00
Sundram Select Debt Short- Term Plan	1,489,905.498	35,500,000.00	1,489,905.498	35,500,000.00
ICICI Income Plan Regular Growth	260,908.527	10,000,000.00	260,908.527	10,000,000.00
ICICI Pru - Dynamic Bond Fund - Regular Plan - Growth	183,378.567	2,500,000.00	183,378.567	2,500,000.00
ICICI Pru - Regular Saving Fund	10,789,894.826	149,669,712.77	9,832,166.557	133,669,712.77
ICICI Pru - Balance Advantage Fund- Growth	444,975.267	12,726,292.64		
ICICI Pru. Corporate Bond Fund	1,512,024.438	32,668,800.00	1,512,024.438	32,668,800.00
ICICI FMP Series-74-369 days				
ICICI Pru. Large Cap Fund	44,443.194	1,027,526.65	44,443.194	1,027,526.65
ICICI Prudential Corporate Bond Fund - Direct Plan Growth	417,653.373	10,000,000.00	-	-
ICICI Income Opportunities Fund Direct Plan Growth	703,254.663	15,000,000.00	-	-
ICICI Pru - Dynamic Bond Fund - Direct Plan - Growth	1,431,451.890	25,000,000.00	-	-
ICICI Pru. Long Term-Direct Plan Growth	544,463.622	10,000,000.00	-	-
ICICI Pru - Regular Saving Fund-Direct Plan-Growth	1,308,686.260	22,500,000.00	-	-
ICICI Income Direct Plan Growth	381,112.782	20,000,000.00	-	-
Reliance Regular Saving Fund Debt Plan	464,800.805	7,500,000.00	464,800.805	7,500,000.00
HDFC Liquid Fund Growth	1,070.513	2,500,000.00	1,070.513	2,500,000.00
Reliance Liquid Fund- Treasury Plan	-	-	79.580	215,425.00
Reliance Corporate Bond Fund- Direct Growth Plan	6,549,341.147	81,000,000.00	-	-
Reliance Regular Saving Fund Debt Plan	3,873,157.988	85,000,000.00	-	-
HDFC High Interest Growth	195,041.092	7,410,745.68	195,041.092	7,410,745.68
HDFC Income Fund Growth	295,199.598	7,732,761.95	295,199.598	7,732,761.95
HDFC Med. Term Oppt. Fund	321,609.592	5,000,000.00	321,609.592	5,000,000.00
ICICI Pru- FMP Series	-	-	2,181,440.000	21,814,400.00
HDFC Gilt Fund - Long Term Growth	-	-	11,754.211	232,578.22
Total	31,400,756.69	550,235,839.69	16,982,205.22	275,271,950.27
Total NAV - Mutual Funds		639,803,129.27		313,878,430.00

# Sreeleathers Limited

Particulars	As at 31st March '17 (Rs.)	As at 31st March '16 (Rs.)
<b>2.11 INVENTORIES</b>		
Stock In Trade	91,579,114.49	80,315,129.00
Goods In Transit	3,716,630.35	2,531,844.00
<b>Total</b>	<b>95,295,744.84</b>	<b>82,846,973.00</b>
<b>2.12 TRADE RECEIVABLES</b>		
Sundry Debtors (Unsecured considered good)		
- For more than 6 Months	7,102,278.00	6,601,952.00
- Other	1,288,128.00	(5,214,808.42)
<b>Total</b>	<b>8,390,406.00</b>	<b>1,387,143.58</b>
<b>2.13 CASH &amp; CASH EQUIVALENTS</b>		
Balance with banks		
a) In Current Accounts	1,962,634.13	22,283,443.58
b) In deposit Account (less than 12 months maturity)	43,406,558.85	144,541,737.74
c) In deposit Account (Earmarked for Central Excise)	9,320,010.00	9,320,010.00
Cash in Hand	2,466,283.16	2,598,209.39
Cheque In Hand	-	1,526,985.00
Other Bank Balances		
Balance in unpaid Dividend Account	352,451.75	379,145.25
	<b>57,507,937.89</b>	<b>180,649,530.96</b>
<b>2.14 SHORT TERM LOANS &amp; ADVANCES</b>		
FDR with Bank for Bank guarantee	151,314.75	123,000.00
Income Tax Advance	65,000,000.00	55,000,000.00
Advance for renovation	-	500,000.00
Advance for Capital Expenditure	5,535,890.40	2,018,041.34
Advance for CESC	374,380.57	223,989.29
Advance to Suppliers	1,887,481.50	-
Other Advance	943,135.00	4,165,254.47
<b>Total</b>	<b>73,892,202.22</b>	<b>62,030,285.10</b>
<b>2.15 OTHER CURRENT ASSETS</b>		
T.D.S Receivable (Current Year)	658,010.50	1,444,489.10
Security Deposit	188,614.00	188,614.00
Rent Receivable	2,120.00	2,752.00
Interest Receivable from FD	1,007,877.25	9,288,835.51
Interest Receivable from others	190,344.49	244,285.53
Advance Rent	-	-
Income Tax Refundable	431,283.00	431,283.00
Others	109,664.00	19,004.00
<b>Total</b>	<b>2,587,913.24</b>	<b>11,619,263.14</b>

Particulars	As at 31st March '17 (Rs.)	As at 31st March '16 (Rs.)
<b>2.16 REVENUE FROM OPERATIONS</b>		
Sale of Goods	995,853,233.18	797,330,755.21
<b>Total</b>	<b>995,853,233.18</b>	<b>797,330,755.21</b>
<b>2.17 OTHER INCOME</b>		
Interest on Fixed Deposits	6,332,499.00	14,194,792.00
Interest on Fixed Deposits Prior Period	-	2,163,836.60
Rent Received	5,658.00	8,316.00
Profit on sale of Investment	7,136,627.37	14,573,392.21
Interest on security deposits	247,607.32	250,025.70
Other Income	525,626.48	245,221.17
<b>Total</b>	<b>14,248,018.17</b>	<b>31,435,583.68</b>
<b>2.18 PURCHASE ACCOUNTS</b>		
Purchase	711,169,934.79	583,205,778.04
Reverse Credit on stock transfer	682,901.00	542,734.00
	<b>711,852,835.79</b>	<b>583,748,512.04</b>
<b>2.19 CHANGES OF INVENTORIES OF STOCK IN TRADE &amp; TRANSIT</b>		
Stock In Trade	(9,001,318.24)	(13,904,662.01)
Goods In Transit	(3,447,453.60)	(2,531,844.00)
<b>Total</b>	<b>(12,448,771.84)</b>	<b>(16,436,506.01)</b>
<b>2.20 EMPLOYEES EXPENSES</b>		
Salary & Wages	11,622,307.00	13,223,236.00
ESI Expenses	272,737.00	272,478.00
Provident Fund	431,277.00	483,734.00
Staff Welfare	2,605,012.52	2,130,938.24
Security Staff Charges	3,151,980.00	1,422,704.00
Directors Remuneration	6,000,000.00	2,400,000.00
<b>Total</b>	<b>24,083,313.52</b>	<b>19,933,090.24</b>
<b>2.21 FINANCE COSTS</b>		
Bank Charges	169,193.89	60,568.64
Interest On TDS	90.00	3,535.00
Interest on Security Deposit	82,500.00	82,500.00
Other Interest on Borrowings	2,518,187.70	2,516,818.00
<b>Total</b>	<b>2,769,971.59</b>	<b>2,663,421.64</b>
<b>2.22 OTHER EXPENSES</b>		
Advertisement	31,821,933.47	20,563,475.53
AGM Expenses	124,620.00	107,294.00
Annual Maintenance Charges	236,516.17	218,189.06
Audit Fees	968,402.00	869,364.00
Car Running Expenses	69,424.06	114,208.24

Particulars	As at 31st March '17	As at 31st March '16
	(Rs.)	(Rs.)
Bank Charges On Credit Card	521,074.02	626,436.56
Carry Bag	5,437,903.00	1,305,277.00
Computer Maintenance	13,074.00	65,948.00
Courier Charges	161,556.00	141,298.00
Custodial Fees	230,431.00	171,750.00
Consultancy Charges	330,250.00	550,384.00
CST Shortage Form	18,290.00	183,299.00
Depository Charges	35,704.00	18,353.00
Donation	40,000.00	75,000.00
Entry Tax Paid	1,404,049.00	1,444,769.00
Electricity Charges	4,638,274.64	4,531,063.05
Freight	4,125,318.00	4,094,848.00
General Expenditure	4,700,619.46	5,539,334.52
Insurance Charges	2,723.00	4,824.00
Interest on Income tax	-	408,701.00
Input Tax Disallowance	215,317.00	17,554.00
Legal Charges	342,300.00	151,391.00
Listing Fees	546,253.00	458,486.00
Listing Compliance Fees	60,000.00	
Printing & Stationery	218,534.00	507,694.00
Prior Period Expenses	1,126,475.16	-
Professional Fees	462,344.00	298,901.00
Professional Tax	2,500.00	2,500.00
ROC filing fees	7,200.00	6,000.00
Rates & Taxes	960,258.00	340,046.00
Repairs & Maintenance	1,705,609.00	4,227,103.01
Rent	4,323,149.12	3,834,608.00
Round Off	316.56	210.27
Sales Promotion	82,763.00	133,439.00
Sales Tax Assessment Dues	101,774.00	49,292.00
Service Tax	514,261.00	507,353.00
Telephone & Internet Expenses	400,364.47	357,624.96
Travelling & Conveyance	43,169.00	122,801.50
VAT Demand	-	66,198.00
VAT on Non Trading Goods	-	117,540.00
	<b>65,992,749.13</b>	<b>52,232,557.70</b>
<b>OTHER EXPLANATORY NOTES &amp; INFORMATION</b>		
<b>2.23 CONTINGENT LIABILITIES</b>		
Appeals filed in respect of disputed demands:		
- where the department is in appeal		
(b) Central Excise Tax	9,320,010.00	9,320,010.00
	<b>9,320,010.00</b>	<b>9,320,010.00</b>

## 2.24 SEGMENT REPORTING

The Company operates in a single segment, hence segment reporting as required under Accounting Standard 17 issued by the Institute of Chartered Accountants of India, is not applicable.

## 2.25 RELATED PARTY DISCLOSURE

Nature of Relationship

Parties where common control exists:

- M/s Sreeleathers
- Sumanta Susanta Overseas (P) Ltd
- Upkar Vinimay (P) Ltd
- Duel Leather Dzines (P) Ltd
- Tug Overseas (P) Ltd

Key Managerial Personnel:

- Satya Brata Dey

Note: Related party relationship is as identified by the company and relied upon by the auditors.

### Nature of Transactions

Particulars	As at 31st March '17 (Rs.)	As at 31st March '16 (Rs.)
<b>Purchase of Goods</b>		
M/S Sreeleathers	38,198,784.00	21,074,502.00
Sumanta Susanta Overseas (P) Ltd	10,577.00	1,125,783.00
Sumanta Susanta Export (P) Ltd	527,921.00	-
Tug Overseas (P) Ltd.	99,884.00	-
<b>Total</b>	<b>38,837,166.00</b>	<b>22,200,285.00</b>
<b>Sale of Goods</b>		
M/S Sreeleathers	21,717,843.00	15,164,742.00
Upkar Vinimay (P) Ltd	14,329,631.00	50,621,657.00
<b>Total</b>	<b>36,047,474.00</b>	<b>65,786,399.00</b>
<b>Remuneration</b>		
Satya Brata Dey	6,000,000.00	2,400,000.00
	6,000,000.00	2,400,000.00
Balance as on 31.03.2017		
<b>Trade Receivables</b>		
M/S Sreeleathers	757,186.00	-
Upkar Vinimay (P) Ltd	226,469.00	591,979.00
<b>Total</b>	<b>983,655.00</b>	<b>591,979.00</b>
Balance as on 31.03.2017		
<b>Trade Payble</b>		
Sumanta Susanta Export (P) Ltd	64,794.00	-
M/S Sreeleathers	817,251.00	-
<b>Total</b>	<b>882,045.00</b>	<b>-</b>

Particulars	As at 31st March '17 (Rs.)	As at 31st March '16 (Rs.)
<b>2.26 AUDIT FEES INCLUDES</b>		
(a) Audit Fees	558,675.00	606,114.00
(b) Fees for tax matters	185,055.00	142,350.00
(c) Fees for Company Law Matters	76,050.00	58,500.00
(d) For Tax Audit Fees	81,120.00	62,400.00
	<b>900,900.00</b>	<b>869,364.00</b>
<b>2.27 DEFFERED TAX</b>		
Deffered Tax Asset - Opening Balance	7,592,273.29	6,110,822.29
Timing Difference		
Depreciation Difference	1,695,283.96	1,481,451.00
<b>Deffered Tax Asset - Closing Balance</b>	<b>9,287,557.25</b>	<b>7,592,273.29</b>
<b>2.28 EARNINGS PER SHARE</b>		
Amount used as neumerator	134,030,142.91	112,996,387.89
Weighted average number of shares	25,155,012	25,155,012
Basic EPS	5.33	4.49
Diluted EPS	5.33	4.49

## 2.29 DISCLOSURE IN RESPECT OF SPECIFIED BANK NOTE HELD AND TRANSACTED

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	17,252,500.00	1,879,956.02	19,132,456.02
Add: Permitted Receipts	-	28,245,283.00	28,245,283.00
Less: Permitted Payments	-	(25,274,672.00)	(25,274,672.00)
Less: Amount Deposited in Banks	(17,252,500.00)	(4,416,753.00)	(21,669,253.00)
Closing Cash in Hand as on 30.12.2016	-	433,814.02	433,814.02

2.30 Disclosures under Section 22 of the Micro, Small and Medium Enterprises development Act, 2006 could not be furnished as none of the suppliers of the company have provided the details of their registration under the said act.

2.31 Balances of trade recievables, trade payables and loans & advances are subject to confirmation and consequential adjustments, if any.

2.32 In the opinion of the board, current assets, loans and advances have value in the ordinary course of business at least equal to the amount at which they are stated.

2.33 The figures of the previous years have been regrouped / rearranged wherever necessary. The Figures of the previous years are given in brackets. The company has compiled the above accounts based on the revised/Modified schedule III applicable for the accounting period 2016-2017. The disclosure requirements are made in the notes to accounts or by way of additional statements. The other disclosures as required by the Companies Act are made in the notes to accounts.

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