

# **Sreeleathers Limited**

**27th ANNUAL REPORT  
2017-2018**

**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**

Chanani & Associates  
Chartered Accountants  
21/1/1, Benaras Road, 4th Floor  
P.O. Salkia, Howrah - 711 106

**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  
Phone : +91 33 2286 1510/ 11  
Fax : +91 33 2217 6468  
E-mail : sreeleathers@sreeleathers.com  
Website : www.sreeleathers.com  
CIN : L67190WB1991PLC050656

**Registrar & Share Transfer Agent**

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

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## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 27th Annual Report together with the Audited Financial Statements of the Company for the Year ended March 31, 2018.

### FINANCIAL RESULTS

(₹ In Lacs)

Particulars	March 31, 2018	March 31, 2017
Receipt from Operations	14096.27	9958.53
Other Income	192.83	142.48
Profit before depreciation & taxes	3380.87	2178.51
Less: Depreciation	126.20	124.60
Profit Before Tax	3254.67	2053.91
Less: Provision for:		
(a) Income Tax	1136.85	730.56
(b) Deferred Tax	(19.36)	(16.95)
Profit after tax	2137.18	1340.30
Other Comprehensive Income	444.84	485.61
Total Comprehensive Income for the period	2582.02	1825.91

The company does not propose to transfer any amount to the General Reserves. An amount of Rs. 7600.30 lacs is proposed to be retained in the statement of Profit & Loss.

### OPERATIONAL REVIEW

Your Company reported a top-line growth of 41.55 % over the Previous Year. The Gross Revenue from operations stood at Rs. 14096.27lacs compared with Rs.9958.53 lacs in the Previous Year. The numbers are however not comparable consequent to implementation of Goods and Services Tax (GST). The Operating Profit before tax stood at Rs. 3254.67lacs as against Rs.2053.91lacs in the Previous Year. The Net Profit for the year stood at Rs.2137.18lacs against Rs.1340.30lacs 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.

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

### DIVIDEND

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

### SHARE CAPITAL

The Authorized Share Capital of your Company as on March 31, 2018 stands at Rs. 2,600 lacs divided into 26,000,000 equity shares of Rs. 10/- each. The paid up equity capital as on March 31, 2018 was Rs.2,515.50lacs. 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, 2018, none of the Directors of the company hold instruments convertible into equity shares of the Company.

### FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2018 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The estimates and judgements 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, 2018.

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.

## **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 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, welfare of the children and yoga. 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.

## **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 31.03.2018 and before the date of Report dated 30.05.2018 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**

Industrial relations at all the units of your Company have been harmonious and peaceful with active involvement of the employees in the collective bargaining process. Your Company has also encouraged wholehearted participation of the employees in improving productivity as well as quality of its products.

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.

In order to retain good talent within the organization, your Company has strengthened the goal setting and measurement process during the year supported with structured development plans for high potential people to move into different roles. This has resulted in higher retention levels across the organization.

**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 2017. 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 twelve 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.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The financial statements are prepared in accordance with Indian Accounting Standard (IND AS) under the historical cost convention on accrual basis (except for certain financial instrument). The Ind AS are prescribed under section 133 of the Companies Act, 2013 ('the Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Effective April 2017, the Company has adopted all the Ind AS standards and the adaptation was carried out in accordance with applicable transition guidance. Accounting Policies have been consistently applied (except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use):

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, 2018, 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 31.03.2018 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 thereunder 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 2017-18 and hence no complaint is outstanding as on 31.03.2018 for redressal.

## **AUDITOR’S REPORT/ SECRETARIAL AUDIT REPORT**

### **AUDIT REPORTS**

- The Auditors’ Report for the Fiscal 2018 does not contain any qualification, reservation or adverse remark. The Auditors’ Report is enclosed with the financial statements in this annual report.
- The secretarial Auditors’ Report for the Fiscal 2018 does not contain any qualification, reservation, or adverse remark. The secretarial Auditors’ Report is enclosed to the Board Report in this Annual Report.
- As required by the Listing Regulations, the Auditors’ Certificate on Corporate Governance is enclosed to the Board Report. The Auditors’ Certificate for Fiscal 2018 does not contain any qualification, reservation or adverse remark.

## **STATUTORY AUDITOR & SECRETARIAL AUDITOR**

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.

## **AUDITORS**

In terms of the provisions of Section 139 of the Companies Act, 2013 read with provisions of the Companies (Audit and Auditor) Rules, 2014 as amended, M/s. Chanani & Associates, Chartered Accountants (ICAI Firm Registration No. 325425E) was appointed as the Auditors of the Company for a consecutive period of five years from the conclusion of this Annual General Meeting until the conclusion of Thirty first Annual General Meeting scheduled to be held in the year 2022.

The Members may note that consequent to the changes made in the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 by the Ministry of Corporate Affairs (MCA) vide notification dated 07.05.2018, the proviso to Section 139 (1) of the Companies Act, 2013 read with explanation to sub-rule 7 of Rule 3 of the Companies (Audit & Auditors) Rules, 2014, the requirement of ratification of appointment of Auditors by the Members at every AGM has been done away with. Therefore, the Company is not seeking any ratification of appointment of M/s. Chanani & Associates, Chartered Accountants as the Auditors of the Company, by the Members at the ensuing AGM.

Your Company has received a certificate from M/s. Chanani & Associates, Chartered Accountants confirming their eligibility to continue as Auditors of the Company in terms of the provisions of Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

## **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.

## **SECRETARIAL STANDARD**

The Company complies with all applicable secretarial standards.

## **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 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 2017-2018. 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:

<b>Name</b>	<b>Ratio</b>
Satyabrata Dey (Managing Director)	67.02:1
Sujay Bhattacharjee (Chief Financial Officer)	2.23:1
Bijoy Kumar Roy (Company Secretary)	2.41:1



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:

Satyabrata Dey (Managing Director)	60.00%
Bijoy Kumar Roy (Company Secretary)	9.52%
Sujay Bhattacharya (Chief Financial Officer)	-6.10%

- c) The % increase in the median remuneration of employees in the financial year : -19.78%
- d) The number of permanent employees on the rolls of company : 34
- e) The explanation on the relationship between average increase in remuneration and company performance; The Company's PAT has grown from Rs. 1340.30 lacs to Rs. 2137.18 lacs an increase of 59.45%, against which the average decrease in remuneration is 19.78% this has been achieved by better manpower utilization.
- 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 annual review mechanism which takes care of the individual performance of the employee as well as the overall growth of the company.

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, 2018	March 31, 2017	% Change
Ordinary Shares Market Capitalization (Rs. In Crs)	565.99	305.76	85.11
Price Earnings Ratio	26.48	22.80	16.14

- g) 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, 2018	Rs.225
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	2150%

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

- h) 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 -19.78% for employees other than Managerial Personnel, 6.10% for Sri Bijoy Kumar Roy, Company Secretary & -6.10% for Sri Sujay Bhattacharjee, Chief Financial Officer of the company.
- i) 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.
- j) 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.
- k) 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.

I) Comparison of each remuneration of the key managerial personnel against the performance of the company:

	Sri Satyabrata Dey Managing Director	Sri Sujay Bhattacharjee Chief Financial Officer	Sri Bijoy Kumar Roy Company Secretary
Remuneration in Fiscal 2018 (in lacs)	96.00	3.20	3.45
Revenue (in lacs)	14096.27		
Remuneration as % of revenue	0.68	0.023	0.024
Profit / (loss) before Tax (in lacs)	3254.67		
Remuneration (as % of PBT)	2.95	0.09	0.11

## **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 hardwork, 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 30, 2018

Satyabrata Dey  
Managing Director  
(DIN : 00569965)

## 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

(Approved by the Board of Directors on 01.09.2014)

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 like minded 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.16.81 Crores

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

The company is required to spend for financial year 2017–18	Rs.33.62 lacs
Amount unspent for Financial year 2016 – 17	<u>Rs. 29.03 Lacs</u>
Total	Rs. 62.65 Lacs

5. Details of CSR spent for the financial year :

- a) Total amount spent for the financial year: Rs.22.90 lacs
- b) Amount unspent if any: Rs. 39.75 lacs

**6. 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.	Yoga	Vocational Training	Bengaluru	5.00	5.00	5.00	Vivekananda Yoga Anusandhana Samsthana
2.	Welfare of the children			0.10	0.10	0.10	Bodhana
3.	School	Education	Jharkhand	11.00	11.00	11.00	Saraswati Shishu Mandir Rangunia
4	Health Check-up	Medical	Kolkata	6.00	6.00	6.00	Tridhara Sammilani
5	Education	Education	Jharkhand	0.80	0.80	0.80	Students

**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.39.75 lacs remained unspent at the end of the Financial Year 2017-18. The Company shall ensure that it complies with the requirements of the Companies Act, 2013 and Rules framed thereunder. 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 30, 2018

Satyabrata Dey  
Managing Director  
(DIN : 00569965)

## Annexure - B to Board Report

### S. A. & ASSOCIATES

*Company Secretaries*

'SWASTIK', 334 / 157 Jessore Road  
SN-8, (Ground Floor), Kolkata - 700 089  
☎ : (033) 2534-2445/3481, 98305-91639  
Mobile : 98300-16001  
Email ID : cs.sa.associates@gmail.com

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[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]

To  
The Members  
M/S. Sreeleathers Limited  
(CIN : L67190WB1991PLC050656)  
6, Tottee 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 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March, 2018 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 Ltd., BSE Limited 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.

For S.A. & Associates  
Company Secretaries

(Shipra Agarwal)  
Proprietor

Place: Kolkata  
Date: 30th May, 2018

Membership No. FCS 4917  
C.P. No. : 3173

**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.**

## S. A. & ASSOCIATES

*Company Secretaries*

'SWASTIK', 334 / 157 Jessore Road  
SN-8, (Ground Floor), Kolkata - 700 089  
☎ : (033) 2534-2445/3481, 98305-91639  
Mobile : 98300-16001  
Email ID : cs.sa.associates@gmail.com

### Annexure A

To  
The Members  
M/S. Sreeleathers Limited  
(CIN : L67190WB1991PLC050656)  
6, Tottee 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. Wherever 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.

For S.A. & Associates  
Company Secretaries

(Shipra Agarwal)  
Proprietor

Membership No. FCS 4917  
C.P. No. : 3173

Place: Kolkata  
Date: 30th May, 2018

**S. A. & ASSOCIATES***Company Secretaries*

**'SWASTIK', 334 / 157 Jessore Road  
SN-8, (Ground Floor), Kolkata - 700 089  
☎ : (033) 2534-2445/3481, 98305-91639  
Mobile : 98300-16001  
Email ID : cs.sa.associates@gmail.com**

**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)	23.02.18 15.12.17 17.11.17 09.10.17 07.06.17	YES YES YES YES YES	N.A. N.A. N.A. N.A. N.A	G77508398 G70200886 G62325253 G55407415 G45493632
2	FORM MGT 15	121(1)	29.09.17	YES	N.A.	G54045869
3	AOC-4XBRL	137	22.11.17	YES	N.A.	G63477293
4	FORM MGT 7	92	29.11.17	No	YES	G67314633
5	FORM SH 9	68(6)	15.12.17	YES	N.A.	G70210414
6	FORM ADT 1	139	26.09.17	YES	N.A.	G54042130
7	FORM IEPF 1	125	31.03.18	NO	YES	G82104522

Central Government  
NIL  
Regional Director  
NIL  
Other Authorities  
NIL

For S.A. & Associates  
Company Secretaries

(Shipra Agarwal)  
Proprietor

Membership No. FCS 4917  
C.P. No. : 3173

Place: Kolkata  
Date: 30th May, 2018



## Annexure C to Boards Report

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2018

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

#### I. REGISTRATION AND OTHER DETAILS

i)	CIN	L67190WB1991PLC050656
ii)	REGISTRATION DATE	1/14/1991
iii)	NAME OF THE COMPANY	SREELEATHERS LIMITED
iv)	CATEGORY / SUB-CATEGORY OF THE COMPANY	COMPANY LIMITED BY SHARES
v)	ADDRESS OF THE REGISTERED OFFICE AND CONTACT DETAILS	6, TOTEE LANE, KOLKATA- 700016 Phone : (033) 2286-1508
vi)	WHETHER LISTED COMPANY	YES
vii)	NAME, ADDRESS AND CONTACT DETAILS OF REGISTRAR & TRANSFER AGENTS (RTA), IF ANY	NICHE TECHNOLOGIES PVT. LTD. D-511 BAGREE MARKET 71, B.R.B. BASU ROAD. KOLKATA - 700 001

#### 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 and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Footwear Wholesale	51312	55.16%
2	Footwear Retail	52323	14.48%
3	Leather Goods and Accessories	52324	30.36%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of Shares Held	Applicable Section
1.	NA				

#### 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>									
(1) Indian									
(a) Individual	7287857	0	7287857	28.972	7479781	0	7479781	29.735	0.763
(b) Central Govt.									
(c) State Govt.(s)									
(d) Bodies Corp.	8757820	0	8757820	34.815	8757820	0	8757820	34.815	0.000
(e) Banks / FI									
(f) Any Other....									
<b>Sub-total (A)(1):-</b>	16045677	0	16045677	63.787	16237601	0	16237601	64.550	0.763

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	
(2) Foreign									
(a) NRIs - Individuals									
(b) Other - Individuals									
(c) Bodies Corp.									
(d) Banks / FI									
(e) Any Other....									
<b>Sub-total (A) (2):-</b>	0	0	0	0.000	0	0	0	0.000	0.000
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	16045677	0	16045677	63.787	16237601	0	16237601	64.550	0.763
<b>B. Public Shareholding</b>									
(1) Institutions									
(a) Mutual Funds									
(b) Banks / FI					250	0	250	0.001	0.001
(c) Central Govt.									
(d) State Govt.(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FIs									
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
FPI - Corporate Cat- II					13807	0	13807	0.055	0.055
FPI - Corporate Cat- III	1305	0	1305	0.005	0	0	0	0.000	-0.005
<b>Sub-total (B)(1)</b>	1305	0	1305	0.005	14057	0	14057	0.056	0.051
(2) Non-Institutions									
(a) Bodies Corp.	3163460	2817012	5980472	23.774	2774947	2664209	5439156	21.623	-2.151
(i) Indian									
(ii) Overseas									
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	216705	32369	249074	0.990	886382	93319	979701	3.895	2.905
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	2157922	69000	2226922	8.853	1915967	219000	2134967	8.487	-0.366
(c) Others (specify)									
1. NRI	5115	0	5115	0.020	59338	0	59338	0.236	0.216
2. Clearing Members	646447	0	646447	2.570	270442	0	270442	1.075	-1.495
3. IEPF Authority					19750	0	19750	0.079	0.079
<b>Sub-total (B)(2):-</b>	6189649	2918381	9108030	36.208	5926826	2976528	8903354	35.394	-0.814
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	6190954	2918381	9109335	36.213	5940883	2976528	8917411	35.450	-0.763
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	22236631	2918381	25155012	100.000	22178484	2976528	25155012	100.000	0.000

(ii) Shareholding of Promoter :

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	4208527	16.730	0.000	4400451	17.493	0.000	0.763
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
	TOTAL	16045677	63.787	0.000	16237601	64.550	0.000	0.763

(iii) Change in Promoters' 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	4208527	16.730		
	b) Changes during the year				
	Date Reason				
	07/04/2017 Transfer	191924	0.763	4400451	17.493
	c) At the End of the Year			4400451	17.493

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 LIMITED				
	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>T O T A L</b>	<b>16045677</b>	<b>63.787</b>	<b>16237601</b>	<b>64.550</b>

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR 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				
	Date Reason				
	26/09/2017 Transfer	-177556	0.706	230000	
	c) At the End of the Year			230000	0.914
2	DEVESH DEALMARK PVT. LTD.				
	a) At the Beginning of the Year	234976	0.934		
	b) Changes during the year				
	Date Reason				
	26/09/2017 Transfer	-234976	0.934	0	0
	c) At the End of the Year			0	0.000
3	DHARMIK TRADECOM PRIVATE LIMITED				
	a) At the Beginning of the Year	146256	0.581		
	b) Changes during the year				
	Date Reason				
	26/09/2017 Transfer	137170	0.545	283426	1.127
	c) At the End of the Year			283426	1.127

4	GANADHI VANIJYA PVT. LTD.				
	a) At the Beginning of the Year	319200	1.269		
	b) Changes during the year				
	Date Reason				
	26/09/2017 Transfer	-89200	0	230000	0.914
	31/03/2018 Transfer	-230000	0.914	0	0.000
	c) At the End of the Year			0	0.000
5	INTELLECT STOCK BROKING LIMITED				
	a) At the Beginning of the Year	319672	1.271		
	b) Changes during the year				
	Date Reason				
	07/04/2017 Transfer	-28025	0.111	291647	1.159
	18/08/2017 Transfer	-3344	0.013	288303	1.146
	25/08/2017 Transfer	-1000	0.004	287303	1.142
	01/09/2017 Transfer	-2000	0.008	285303	1.134
	08/09/2017 Transfer	-5000	0.020	280303	1.114
	15/09/2017 Transfer	-5000	0.020	275303	1.094
	20/10/2017 Transfer	9227	0.037	284530	1.131
	27/10/2017 Transfer	-14173	0.056	270357	1.075
	03/11/2017 Transfer	-5000	0.020	265357	1.055
	10/11/2017 Transfer	-5000	0.020	260357	1.035
	24/11/2017 Transfer	-2849	0.011	257508	1.024
	19/01/2018 Transfer	-5000	0.020	252508	1.004
	26/01/2018 Transfer	-3000	0.012	249508	0.992
	02/02/2018 Transfer	-4000	0.016	245508	0.976
	09/02/2018 Transfer	-1882	0.007	243626	0.968
	16/02/2018 Transfer	2858	0.011	246484	0.980
	23/02/2018 Transfer	-8068	0.032	238416	0.948
	02/03/2018 Transfer	268	0.001	238684	0.949
	09/03/2018 Transfer	-21466	0.085	217218	0.864
	16/03/2018 Transfer	-11009	0.044	206209	0.820
	c) At the End of the Year			206209	0.820
6	INTERLINK SAVING & FINANCE PVT. LTD.				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	26/09/2017 Transfer	230000	0.914	230000	0.914
	c) At the End of the Year			230000	0.914
7	NEWZONE VANIJYA PVT. LTD				
	a) At the Beginning of the Year	251935	1.002		
	b) Changes during the year				
	Date Reason				
	26/09/2017 Transfer	-251935	1.002	0	0.000
	c) At the End of the Year			0	0.000

8	PANCHTANTRA TARDELINK PRIVATE LIMITED				
	a) At the Beginning of the Year	287435	1.143		
	b) Changes during the year				
	Date Reason				
	21/04/2017 Transfer	500	0.002	287935	1.145
	09/03/2018 Transfer	4673	0.019	292608	1.163
	c) At the End of the Year			292608	1.163
9	SHIVKRIPA MARKETING PVT. LTD.				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	26/09/2017 Transfer	234976	0.934	234976	0.934
	c) At the End of the Year			234976	0.934
10	SHIVRATRI TECHNOLOGIES PRIVATE LIMITED				
	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
11	SIDHSILVER INFOTECH PRIVATE LIMITED				
	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
12	SUBHRASHI PROPERTIES PRIVATE LIMITED				
	a) At the Beginning of the Year	227547	0.905		
	b) Changes during the year				
	Date Reason				
	09/06/2017 Transfer	69243	0.275	296790	1.180
	22/09/2017 Transfer	-8643	0.034	288147	1.145
	13/10/2017 Transfer	-19000	0.076	269147	1.070
	c) At the End of the Year			269147	1.070
13	SWABHUMI DEALERS PVT. LTD.				
	a) At the Beginning of the Year	304937	1.212		
	b) Changes during the year				
	Date Reason				
	26/09/2017 Transfer	-304937	1.212	0	0.000
	c) At the End of the Year			0	0.000
14	T H FINANCIAL SERVICES PRIVATE LIMITED				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	05/05/2017 Transfer	12000	0.048	12000	0.048
	26/09/2017 Transfer	230000	0.914	242000	0.962
	c) At the End of the Year			242000	0.962
	<b>T O T A L</b>	<b>2944605</b>	<b>11.706</b>	<b>2433457</b>	<b>9.674</b>

(v) 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	4208527	16.730		
	b) Changes during the year				
	Date Reason				
	07/04/2017 Transfer	191924	0.763	4400451	17.493
	c) At the End of the Year			4400451	17.493
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
3	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>6270177</b>	<b>24.926</b>	<b>6462101</b>	<b>25.689</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>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0.0	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>0.0</b>	<b>27,720,435.00</b>	<b>-</b>	<b>27,720,435.00</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	0.0	17,720,435.00	-	17,720,435.00
<b>Net Change</b>	<b>0.0</b>	<b>-17,720,435.00</b>	<b>-</b>	<b>-17,720,435.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0.0	10,000,000.00	-	10,000,000.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1,005,672.00	-	1,005,672.00
<b>Total (i+ii+iii)</b>	<b>0.0</b>	<b>11,005,672.00</b>	<b>-</b>	<b>11,005,672.00</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sl. No.	Particulars of Remuneration	Name of MD/WT/Manager	Total Amount
		SATYA BRATA DEY MANAGING DIRECTOR	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	9,600,000	9,600,000
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - Others, specify...		
5.	Others - Meeting Fees		
	Total (A)		
	Ceiling as per the Act		

### B. Remuneration to other directors : (₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	<b>NIL</b>				
	Total (1)					
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • 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		
		Company Secretary BIJOY KUMAR ROY	CFO SUJAY BHATTACHARYA	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	344,999	319,615	664,614
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - Others, specify...			
5	Others, please specify			
	Total	344,999	319,615	664,614

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty		NIL			
Punishment					
Compounding					
B. DIRECTORS					
Penalty		NIL			
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty		NIL			
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, 2018.

For Sreeleathers Limited

Kolkata  
30th May, 2018

Satyabrata Dey  
Managing Director  
(DIN : 00569965)

**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 : based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by SREELEATHERS LIMITED "The Company" 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 2017-2018 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.

Satyabrata Dey  
Managing Director  
(DIN : 00569965)

Sujay Bhattacharjee  
Chief Financial Officer

Kolkata  
30th May, 2018

## INDEPENDENT AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Sreeleathers Limited

We have examined the compliance of conditions of Corporate Governance by Sreeleathers Limited ('The Company') for the year ended 31st March 2018 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.

### OPINION:

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.

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For Chanani & Associates  
Chartered Accountants  
Firm Registration No.325425E

Kolkata  
May 30, 2018

Madhaw Chanani  
Partner  
Membership No: 060624

## 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, 2018:

Name of Director	DIN	Category	No. of other Directorships	Committees	
				Position Memberships	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	-	-	-

Notes :

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, 2018, 12 (twelve) Board Meetings were held on April 29, May 2, May 27, June 16, August 10, September 06, September 14, October 10, October 14, November 1, December 14, 2017 & February 14, 2018. 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	12	Yes
Shri Sumanta Dey	12	Yes
Smt. Sadhana Adhikary	12	Yes
Shri Tanmoy Shome	12	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 2018 i.e. on 27th May 2017, 14th September 2017, 14th December 2017 and 14th February 2018.

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, 2018. 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

The details of remuneration for the year ended March 31, 2018 to the Executive Directors are as follows:

Name	Designation	Remuneration
Satyabrata Dey	Managing Director	96.00 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.

- 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;

### **APPOINTMENT AND TENURE OF THE DIRECTORS**

The Directors of the Company are appointed by the Members at the General Meetings. Generally, the Managing Director and Whole-time Directors (Executive Directors) are appointed for a period of five years. Other than Managing Director and Independent Directors, not less than two-thirds of the total number of Directors is liable to retire by rotation, out of which one-third shall retire at every AGM and if eligible, may seek approval from the Members for their re-appointment.

In terms of the provisions of Section 149 of the Companies Act, 2013 and Rules framed thereunder, the Independent Directors of the Company were appointed for a period of five years by the Members of the Company at the General Meetings.

In compliance with Regulation 36(3) of the Listing Regulations read with the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the required information about the Directors proposed to be appointed / re-appointed has been annexed to the Notice convening the 27th AGM.

### **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

In order to encourage active participation from the Independent Directors and also to enable them to understand the business environment of the Company, a Familiarization Programme for the Independent Directors has been adopted and implemented. Once appointed, the Independent Directors undergo Familiarization Programme of the Company. Necessary information and supportive documents in respect of the footwear industry, the regulatory environment under which the Company operates and Annual Reports of past financial years are provided to the Independent Directors. The Independent Directors visit the Corporate Office of the Company and hold one-on-one discussions with key Functional Heads of the Company to understand various functions which are critical to the business performance of the Company. The Independent Directors are also provided with financial results, internal audit findings, risk inventories and other specific documents as sought for from time to time. The Independent Directors are also made aware of all Policies and Code of Conduct and Business Ethics adopted by the Board. During the year under review, the Company conducted Familiarization Programmes for the Independent Directors of the Company.

### **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 relationship 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:

<b>Name of the Member</b>	<b>No. of Meeting Held</b>	<b>No. of Meeting Attended</b>
Sumanta Dey , Chairman	02	02
Tanmoy Shome, Member	02	02
Sadhana Adhikary, Member	02	02

During the year 2017-2018, one complaint was received from shareholders and investors as shown below:

### **Part A**

Number of Complaints received directly	- 1
Number of Complaints forwarded by Stock Exchanges	- Nil
Total Number of complaints/ comments as on 31.03.2018	- Nil
Number of Complaints Resolved	- 1
Number of pending as on 31.03.2018	- Nil

### **Part B**

Name of Complainant	- Ms. Anju Agarwal
Date of Complaint	- 19.09.2017
Status (Resolved/pending)	- Resolved

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:

<b>Name of The Member</b>	<b>Designation</b>
Sumanta Dey	Chairman
Sadhana Adhikary	Member
Tanmoy Shome	Member

The committee met 2 times during the financial year ended March 31, 2018. 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, 2018. 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 14, 2018, 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).
- (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 Securities.

### b. Share Transfers Agents

M/s. Niche Technologies Pvt. Ltd., D- 511, Bagree Market, 71, B.R.B. Basu Road, Kolkata – 700 001.

### 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
2016-17	15-09-2017	10.30am	Jamuna Banquets, 31/2B, Marquis Street Kolkata – 700016	-
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	-

No Extraordinary General Meeting (EGM) was held by the Company during the financial year ended March 31, 2018.

### e. Postal Ballot

For the year ended March 31, 2018 there has been a special resolution passed by the Company's Shareholders through postal ballot for Buyback of share.

During the year company approached the shareholders through postal ballot. The details of the postal ballot are as follows:

Date of Postal Ballot Notice : 14th October 2017  
 Voting period : 29th October 2017 to 27th November 2017  
 Date of declaration of result : 29th November 2017  
 Date of approval : 29th November 2017

Name of the resolution	Type of resolution	No. of votes Polled	Votes cast in favor		Votes cast against	
			No. of votes	%	No. of votes	%
Buy Back of Share	Special resolution	21205175	21204881	99.999	294	0.001

### 5. Additional shareholders information

- a) **Annual General Meeting Date** : September 29 2018 , 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 2018-19 , the tentative dates for declaration of Quarterly unaudited results will be by August 14, 2018, November 15, 2018, February 15, 2019 and May 30, 2019

### c) Book Closure

The register of members and share transfer books of the company shall remain closed from September 24, 2018 to September 29th, 2018 (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

Month	BSE					NSE				
	High (₹)	Low (₹)	Volume (Nos.)	SENSEX		High (₹)	Low (₹)	Volume (Nos.)	NIFTY	
				High	Low				High	Low
April 17	144.90	117.30	16397	30184.22	29241.48	133.95	116.30	45842	9367.15	9075.15
May 17	153.40	117.10	49677	31255.28	29804.12	159.20	121.00	91619	9649.60	9269.90
June 17	207.65	137.35	136425	31522.87	30680.66	205.95	140.50	542257	9709.30	9448.75
July 17	177.00	155.00	21006	32672.66	31017.11	174.00	151.05	65744	10114.85	9543.55

Month	BSE					NSE				
	High (₹)	Low (₹)	Volume (Nos.)	SENSEX		High (₹)	Low (₹)	Volume (Nos.)	NIFTY	
				High	Low				High	Low
Aug 17	163.95	144.35	23500	32686.48	31128.02	163.85	143.25	176353	10137.85	9685.55
Sept 17	203.55	150.65	47591	32524.11	31081.83	201.95	150.00	416862	10178.95	9687.55
Oct 17	236.15	160.30	152777	33340.17	31440.48	237.85	162.00	960655	10384.50	9831.05
Nov 17	196.50	163.05	70598	33865.95	32683.59	196.00	156.05	611728	10490.45	10094.00
Dec 17	342.50	170.95	375715	34137.97	32565.16	342.00	170.05	2189176	10552.40	10033.35
Jan 18	318.90	230.05	113108	36443.98	33703.37	305.00	242.80	546720	11171.55	10404.65
Feb 18	273.75	221.20	61754	36256.83	33482.81	274.95	223.20	515548	11117.35	10276.30
Mar 18	248.00	216.15	91181	34278.63	32483.84	266.80	216.35	344114	10525.50	9951.90

*Note : During the financial year ended March 31, 2018, there was no trading in the equity shares of the Company at CSE.*

**f) Distribution of shareholding as on March 31, 2018**

Size of Holdings	No. of Share Holders	Percentage %	No. of Shares	Percentage %
Up to 500	4233	89.78	328262	1.31
501 to 1000	134	2.84	109825	0.44
1001 to 5000	157	3.33	374783	1.49
5001 to 10000	53	1.12	444029	1.76
10001 to 50000	86	1.82	1881890	7.48
50001 to 100000	21	0.45	1497510	5.95
100001 to above	31	0.66	20518713	81.57
<b>Total</b>	<b>4715</b>	<b>100.00</b>	<b>2,51,55,012</b>	<b>100.00</b>

**g) Share Holding Pattern:**

Sr. No.	Category	No. of Shares	%of Share Holding
1.	Promoters (Individual/Body Corporate)	16237601	64.550
2.	Mutual Funds/ UTI / Banks	250	0.001
3.	Private Corporate Bodies	5439156	21.623
4.	Resident Individuals	3114668	12.381
5.	NRIs / FIIs	73145	0.291
6.	IEPF Authority	19750	0.079
7.	Others –Clearing Members	270442	1.075
	<b>Total</b>	<b>25155012</b>	<b>100.00</b>

**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 dematerialized 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, 2018, 2,21,78,484 shares (88.17%) 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 – 700 016, Telephone : 033- 2286-1571

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 – 700 001

**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.

**Dematerialization of Shares and Liquidity:** Since the equity shares of the Company are compulsorily traded in dematerialized mode, the members are advised to hold their shares in dematerialized mode with any Depository Participants (DPs) registered with NSDL and CDSL. Requests for dematerialization of shares should be sent directly by the DPs concerned to the RTA, M/s. Niche Technologies Private Limited at D-511, Bagree Market, 71, B.R.B Basu Road Kolkata – 700001. Any delay on the part of the DPs to send the Demat Request Forms (DRF) and relevant Share Certificates beyond 15 days from the date of generation of the Demat Request Number (DRN) by the DPs will be rejected / cancelled. This is being done to ensure that no demat requests remain pending with the RTA beyond a period of 21 days. Members/ Investors should, therefore, ensure that their DPs do not delay in sending the DRF and relevant Share Certificates to the RTA immediately after generating the DRN. The International Securities Identification Number (ISIN) assigned to the Equity Shares of the Company under the Depository System is INE099F01013 and the Shares of the Company are frequently traded at the BSE and NSE.

**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 2017-2018
- 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 Chanani & Associates, 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.

## **7. No Non- Compliance during last three years**

There has been no instance of non-compliances by the Company on any matter related to capital markets during the last three years. No penalty / stricture have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on such matters.

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**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2018.

**(A) INDUSTRY STRUCTURE AND DEVELOPMENT**

The financial year 2017-18 was an eventful year with the adoption of GST. While there were some initial hiccups that were to be expected, the implementation of the GST will act as a boon in the long term for the organized manufacturing industry across the country.

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.

The footwear industry in India employs over 1.1 million workers, making it one of the top employment generating industry in the country. The footwear production in India is over 22 billion pairs annually, which is approximately 9.6% of the total global annual footwear output. India is the second largest global producer of footwear after China and also the world's third-largest footwear consumer after China and the USA. Almost 90% of the footwear manufactured in India is sold in the domestic market. Today, India is already among the world's top 10 footwear exporters, and its share is growing. The organised footwear market in India is still dominated by men's footwear.

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.

The Government of India recently approved special package of Rs 2600 crore for leather and footwear sector which also includes measures for simplification of labour laws. The package involves implementation of central scheme 'Indian Footwear, Leather & Accessories Development Programme' with an approved expenditure of Rs. 2600 crore over the three financial years from 2017-18 to 2019-20. The package would lead to development of infrastructure for the leather sector, address environmental concerns specific to the leather sector, facilitate additional investments, employment generation and increase in production

**(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) OUTLOOK

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 transactions 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 effected.

**(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 Tridhara Sammilani, Bodhana, Vivekananda Yoga Anusandhana Samsthana, Saraswati Shishu Mandir Rangunia and poor students. 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, 2018 the company had 34 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.

**INDEPENDENT AUDITORS' REPORT**

To The Members of Sreeleathers Limited

**Report on the Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Sreeleathers Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity, and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditors' Responsibility**

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

In conducting 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 and order issued under section 143(11) of the Act..

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 including Ind AS specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2018, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Other Matter**

The comparative financial information of the Company for the year ended 31 March 2017 prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated 27 May 2017 expressed an unmodified opinion.

Our opinion on the financial statement is not modified in respect of this matter.

**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 Order.
2. As required by section 143(3) of the Act, based on our audit, to the extent applicable, 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 including Other Comprehensive Income, Cash Flow Statement and statement of changes in Equity dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone Ind AS financial Statement comply with the Indian 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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 Standalone IndAS financial statement.
    - 2) The company did not have any long term contract including derivative contracts for which there were any material foreseeable losses
    - 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) The disclosure in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For Chanani & Associates  
*Chartered Accountants*  
Firm's Regn. No. : 325425E

Kolkata  
May 30, 2018

Madhaw Chanani  
Partner  
Membership No. : 060624

**ANNEXURE I 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 Ind AS financial statements for the year ended 31st March, 2018, 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, LLPs, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of this para 3(iii) of the order is 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, GST, cess and any other statutory dues applicable to it with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, GST, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax, Cess and other material statutory dues, to the extent applicable, were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (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.
- ix) 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). Accordingly, para 3(ix) of the order is not applicable.

- x) 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.
- xi) 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.
- xii) 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.
- xiii) 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 Ind AS financial statements as required by the applicable accounting standard.
- xiv) 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.
- xv) 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.
- xvi) 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 Chanani & Associates  
*Chartered Accountants*  
Firm's Regn. No. : 325425E

Kolkata  
May 30, 2018

Madhaw Chanani  
Partner  
Membership No. : 060624

**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 Ind AS financial statements for the year ended March 31, 2018.

**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, 2018 in conjunction with our audit of the Ind AS 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, 2018, 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 Chanani & Associates  
*Chartered Accountants*  
Firm's Regn. No. : 325425E

Kolkata  
May 30, 2018

Madhaw Chanani  
Partner  
Membership No. : 060624

### Balance Sheet as at 31st March 2018

PARTICULARS	Notes	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
		₹	₹	₹
<b>I. ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment	8	1,557,007,315.84	1,568,799,526.77	1,580,275,382.65
(b) Goodwill	8	12,190,682.26	12,190,682.26	12,190,682.26
(c) Financial Assets				
(i) Investments	3	769,942,090.00	638,976,523.07	315,451,182.28
(ii) Other Financial Assets	4	2,754,299.00	3,494,840.44	3,448,839.36
(d) Deferred tax assets (net)	13	11,223,412.94	9,287,557.25	7,592,273.29
(e) Other non-current assets	5	332,569.96	107,555.28	1,926,531.13
<b>Total Non-Current Assets</b>		<b>2,353,217,150.20</b>	<b>2,232,856,685.07</b>	<b>1,919,440,401.87</b>
<b>(2) Current assets</b>				
(a) Inventories	6	105,903,181.31	95,295,744.84	82,846,973.00
(b) Financial Assets				
(i) Trade and other receivables	7	4,355,613.30	7,325,064.30	321,801.88
(ii) Cash and cash equivalents	9	262,063,139.99	57,507,937.90	180,649,530.96
(iii) Other Financial Assets	10	35,491,653.07	10,279,037.96	16,771,024.14
(c) Income Tax Assets (Net)	11	122,931,283.00	66,089,293.50	55,431,283.00
(d) Other current assets	12	8,820.00	111,784.00	2,752.00
<b>Total Current Assets</b>		<b>530,986,910.47</b>	<b>236,608,862.50</b>	<b>337,467,854.08</b>
<b>TOTAL ASSETS</b>		<b>2,884,204,060.67</b>	<b>2,469,465,547.57</b>	<b>2,256,908,255.95</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity Share capital	14	251,550,120.00	251,550,120.00	251,550,120.00
(b) Other Equity	15	2,299,032,180.96	2,040,829,752.57	1,858,238,158.28
<b>Total Equity</b>		<b>2,550,582,300.96</b>	<b>2,292,379,872.57</b>	<b>2,109,788,278.28</b>
<b>(2) Liabilities</b>				
<b>Non-current liabilities</b>				
<b>(a) Financial Liability</b>				
(i) Other Non-current Financial Liabilities	16	12,306,380.70	15,306,380.70	15,309,908.70
<b>Total Non Current Liabilities</b>		<b>12,306,380.70</b>	<b>15,306,380.70</b>	<b>15,309,908.70</b>
<b>(3) Current liabilities</b>				
(a) Financial Liabilities				
(i) Trade and other payables	17	42,196,831.91	47,028,438.38	33,776,516.55
(ii) Borrowings (Unsecured)	18	11,005,672.00	27,720,435.00	27,661,500.00
(iii) Other Financial Liabilities	19	148,864,385.55	9,611,357.84	3,502,093.04
(b) Other current liabilities	20	4,514,665.74	3,620,277.77	2,226,628.07
(c) Provisions	21	114,733,823.81	73,798,785.31	64,643,331.31
<b>Total Current Liabilities</b>		<b>321,315,379.01</b>	<b>161,779,294.30</b>	<b>131,810,068.97</b>
<b>Total Equity and liabilities</b>		<b>2,884,204,060.67</b>	<b>2,469,465,547.57</b>	<b>2,256,908,255.95</b>

Significant accounting policies, See  
accompanying notes to financial statements

As per our report of even date attached

For Chanani & Associates  
Chartered Accountants  
Firm's Regn. No. : 325425E

For and on behalf of the Board of Directors

(CA Madhaw Chanani)  
Membership No. : 060624  
Partner  
Kolkata, 30th May, 2018

**SATYABRATA DEY**  
(Managing Director)  
(DIN : 00569965)

**SADHANA ADHIKARY**  
(Director)  
(DIN : 02974882)

**SUJAY BHATTACHERJEE**  
(Chief Financial Officer)

**B. K. ROY**  
(Company Secretary)



### Statement of Profit and Loss for the year ended 31st March 2018

PARTICULARS		Notes	Year ended 31st March 2018	Year ended 31st March 2017
			₹	₹
I	Revenue From Operations	23	1,409,626,951.02	995,853,233.18
II	Other Income	24	19,282,529.92	14,248,018.17
III	<b>Total Income (I+II)</b>		<b>1,428,909,480.94</b>	<b>1,010,101,251.35</b>
IV	<b>Expenses :</b>			
	Purchase of Stock in Trade	25	1,010,708,549.88	711,852,835.79
	Changes in Inventories of Finished Goods, Stock-in-Process and Stock in Trade	26	(10,607,435.96)	(12,448,771.84)
	Employee Benefit Expenses	27	29,119,041.53	24,785,852.52
	Finance costs	28	1,481,820.64	2,769,971.59
	Depreciation and amortisation expense	8	12,619,522.31	12,460,176.87
	Other expenses	29	60,120,525.69	65,290,210.13
	<b>Total expenses (IV)</b>		<b>1,103,442,024.09</b>	<b>804,710,275.06</b>
V	<b>Profit/(loss) before exceptional items and tax (I- IV)</b>		<b>325,467,456.85</b>	<b>205,390,976.29</b>
VI	Exceptional Items		-	-
VII	<b>Profit/(loss) before tax (V-VI)</b>		<b>325,467,456.85</b>	<b>205,390,976.29</b>
VIII	<b>Tax expense:</b>			
	Current tax	22	113,039,257.81	71,875,194.31
	Deferred tax	22	(1,935,855.69)	(1,695,283.96)
	Tax expense for earlier years	22	646,106.69	1,180,923.03
IX	<b>Profit (Loss) for the period</b>		<b>213,717,948.04</b>	<b>134,030,142.91</b>
X	<b>Other comprehensive income</b>			
	A Items that will not be reclassified to profit or loss Investment in Equity Instruments through other comprehensive income		44,484,480.35	48,561,451.38
	B Items that will be reclassified to profit or loss		-	-
XI	<b>Total Other Comprehensive Income</b>		<b>44,484,480.35</b>	<b>48,561,451.38</b>
XII	<b>Total Comprehensive Income for the period (IX+XI)</b>		<b>258,202,428.39</b>	<b>182,591,594.29</b>
XII	Earnings per equity share (for continuing operation):			
	(1) Basic	30	8.50	5.33
	(2) Diluted	30	8.50	5.33
	<b>Significant Accounting Policies</b>			
	<b>See accompanying notes to financial statements</b>			

As per our report of even date attached

For Chanani & Associates  
Chartered Accountants  
Firm's Regn. No. : 325425E

For and on behalf of the Board of Directors

(CA Madhaw Chanani)  
Membership No. : 060624  
Partner  
Kolkata, 30th May, 2018

**SATYABRATA DEY**  
(Managing Director)  
(DIN : 00569965)

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(Chief Financial Officer)

**B. K. ROY**  
(Company Secretary)

## Statement of Change in Equity for the year ended 31st March 2018

### (a) Equity Share capital (Rs.)

	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31st March, 2017	251,550,120	-	251,550,120
For the year ended 31st March, 2018	251,550,120	-	251,550,120

### (b) Other Equity (Rs.)

	Reserves and Surplus		Items of Other Comprehensive Income		Total
	Securities Premium	Retained Earnings	Equity Instruments through Other Comprehensive Income	Re-measurement of defined benefit plan	
<b>Balance as at 1st April, 2016</b>	<b>1,407,742,545</b>	<b>411,216,381</b>	<b>39,279,232</b>	<b>-</b>	<b>1,858,238,158</b>
Profit for the year	-	134,030,143		-	134,030,143
Other Comprehensive Income (net of tax)	-		48,561,451	-	48,561,451
Total Comprehensive Income for the year	-	134,030,143	48,561,451	-	182,591,594
<b>Balance as at 31st March, 2017</b>	<b>1,407,742,545</b>	<b>545,246,524</b>	<b>87,840,683</b>	<b>-</b>	<b>2,040,829,753</b>
<b>Balance as at 1st April, 2017</b>	<b>1,407,742,545</b>	<b>545,246,524</b>	<b>87,840,683</b>	<b>-</b>	<b>2,040,829,753</b>
Profit for the year	-	213,717,948		-	213,717,948
Other Comprehensive Income (net of tax)	-		44,484,480	-	44,484,480
Total Comprehensive Income for the year	-	213,717,948	44,484,480	-	258,202,428
<b>Balance as at 31st March, 2018</b>	<b>1,407,742,545</b>	<b>758,964,472</b>	<b>132,325,164</b>	<b>-</b>	<b>2,299,032,181</b>

As per our report of even date attached

For Chanani & Associates  
Chartered Accountants  
Firm's Regn. No. : 325425E

For and on behalf of the Board of Directors

(CA Madhaw Chanani)  
Membership No. : 060624  
Partner  
Kolkata, 30th May, 2018

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(DIN : 02974882)

**SUJAY BHATTACHERJEE**  
(Chief Financial Officer)

**B. K. ROY**  
(Company Secretary)

### CASH FLOW STATEMENT

SI. Particulars	Year Ended 31st March 2018		Year Ended 31st March 2017	
	₹	₹	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit (Loss) Before Tax		325,467,456.85		205,390,976.29
Adjustment For :				
Depreciation	12,619,522.31		12,460,176.87	
Finance Cost	1,481,820.64		2,769,971.59	
Interest Income	(2,332,203.68)		(6,580,106.32)	
Rent Received	(4,547.00)		(5,658.00)	
Profit on sale of Investment	(16,048,044.32)		(7,136,627.37)	
Earlier Year Tax	(646,106.69)	(4,929,558.74)	(1,180,923.03)	326,833.74
Operating Profit before Working Capital Changes		320,537,898.11		205,717,810.03
Adjustment To:				
Stock in Trade	(10,607,436.47)		(12,448,771.84)	
Trade Receivables	2,969,451.00		(7,003,262.42)	
Short Term Loans & Advances	(82,576,733.16)		(11,861,917.12)	
Other current Assets	391,872.75		9,031,349.90	
Non current assets	748,745.83		328,484.94	
Trade Payables	(4,831,606.47)		13,251,921.83	
Provision	40,935,038.50		9,155,454.00	
Other current and non current liabilities	123,432,652.68	70,461,984.66	7,561,849.50	8,015,108.79
Cash Generate from Operation		390,999,882.77		213,732,918.82
Tax Paid including interest thereon	(113,039,257.81)	(113,039,257.81)	(71,875,194.31)	(71,875,194.31)
Net Cash Generated from/ (Used in) Operating Activities		277,960,624.96		141,857,724.51
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Rent Received	4,547.00		5,658.00	
Interest Income	2,332,203.68		6,580,106.32	
Purchase/Sale of Fixed Asset(Net)	(827,311.38)		(984,321.00)	
Investment In Mutual Fund(Net)	(70,433,042.26)		(267,827,262.05)	
Other long term liabilities	(3,000,000.00)		(3,528.00)	
Increase In Fixed Deposits	30,489,339.00		101,135,178.89	
Net Cash Generated From/ (Used In) Investing Activities		(41,434,263.96)		(161,094,167.84)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Finance Cost	(1,481,820.64)		(2,769,971.59)	
Net Cash Generaed From/ (Used In) Financing Activities		(1,481,820.64)		(2,769,971.59)
Net Increase/(Decrease) in cash and cash Equivalent	( A + B + C )	235,044,540.36	( A + B + C )	(22,006,414.92)
Cash and Cash Equivalents ( Opening Balance )		4,781,369.04		26,787,783.96
Cash and Cash Equivalents ( Closing Balance )		239,825,909.40		4,781,369.04
Cash and Cash Equivalents Comprises of:				
Cash & Cheque in Hand		1,494,809.69		2,466,283.16
Balance with Schedule banks		238,331,099.71		2,315,085.88

#### NOTE :

- The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in the Indian Accounting Standard (IND AS) 7 on Statement of Cash Flows.
- Proceeds/(repayment) of short term borrowings have been shown on net basis.
- Figure in brackets represent cash outflow from respective activities.
- Cash & cash Equivalents do not include any amount which is not available to the Company for its use.
- As breakup of Cash & cash equivalents is also available in Note No.9, reconciliation of items of Cash & cash equivalents as per Cash Flow Statement with the equivalent items reported in the Balance Sheet is not required and hence not provided.

#### As per our report of even date attached

For Chanani & Associates  
Chartered Accountants  
Firm's Regn. No. : 325425E

#### For and on behalf of the Board of Directors

(CA Madhaw Chanani)  
Membership No. : 060624  
Partner  
Kolkata, 30th May, 2018

**SATYABRATA DEY**  
(Managing Director)  
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**SADHANA ADHIKARY**  
(Director)  
(DIN : 02974882)

**SUJAY BHATTACHERJEE**  
(Chief Financial Officer)

**B. K. ROY**  
(Company Secretary)

**NOTES TO FINANCIAL STATEMENTS****NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****a. Company Overview****a. Basis of preparation**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 2.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**b. Use of estimate**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

**c. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured

- a. In respect of Sales : When the significant risks and rewards of ownership of goods have been passed on to the buyer, which generally coincides with delivery/shipment of goods to customers.
- b. In respect of Interest Income : On time proportion basis taking into account the amount outstanding and the rate applicable.
- c. In respect of Service Income : When the services are performed as per contract.
- d. In respect of Dividend Income : When right to receive payment is established.
- e. In respect of Insurance Claims : On Settlement of Claims

Under Ind AS 18, Revenue from product sales is recognized exclusive of Taxes and net of returns, Sales Discount etc. Sales Returns are accounted for when goods are returned.

**d. Goodwill**

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103, 'Business Combinations'.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

**e. Property, plant and Equipment's**

Capital Work in Progress, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such Cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. No decommissioning liabilities are expected to be incurred on the assets of plant and equipment. Depreciation is calculated on a straight line basis over the estimated useful lives of the assets.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

An item of Property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any Gain or Loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the income statement when the asset is derecognized.

#### **f. Inventories**

Inventories are valued as under:

- |                                   |  |
|-----------------------------------|--|
| a. Raw Materials:                 | At Cost or Net Realisable Value whichever is lower   |
| b. Finished Products:             | At Cost or Net Realisable Value whichever is lower   |
| c. Stores, Spares and Components: | At Cost  |
| d. Stock in process:              | At Raw material Cost plus estimated cost of conversion up to the stage of completion or Net Realisable Value whichever is lower. |

Cost includes all direct cost and applicable manufacturing and administrative overheads. Inventories are valued on FIFO basis. Variation, if any, between books and physical stocks detected on physical verification, obsolete & slow moving stocks are adjusted in accounts as found appropriate.

#### **g. Financial instruments**

##### **1. Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

##### **2. Subsequent measurement**

##### **a. Non-derivative financial instruments**

##### **(i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **(ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

##### **(iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### **(iv) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### (v) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

#### b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

#### Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss. When incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

#### 3. De-recognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IndAS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### Impairment of Assets

##### a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

##### b. Non-financial assets

#### Property, plant and equipment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

##### c. Income Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to share premium.

#### d. Provisions, Contingent Liabilities and Contingent Assets

The Company makes a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent Assets are disclosed when an inflow of economic benefit is probable and/or certain.

#### e. Investments

Long term investments being Investment in Listed Equity Shares are stated at fair value through other comprehensive income.

#### f. Foreign Exchange Transactions

##### i. Initial Recognition

Foreign Exchange transactions are recorded normally at the exchange rates prevailing on the date of the transactions.

##### ii. Conversion Foreign

Currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction and non-monetary items which are carried at the fair value or other similar denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

##### iii. Exchange differences

Exchange differences arising on settlement of transactions or on reporting monetary items of the Company at the rate different from those at which they were initially recorded during the year, or reported in previous financial statement, are recognised as income or expenses in the year in which they arise except in case where they relate to acquisition of fixed assets.

#### g. Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### h. Earnings per equity share

The basic earnings per share ("EPS") are computed by dividing the net profit after tax for the Year by the weighted average number of equity shares outstanding during the Year. For the purpose of calculating diluted earnings per share, net profit after tax for the Year and the weighted average number of shares outstanding during the Year are adjusted with the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the Year, unless they have been issued at a later date.

#### i. Cash Flow Statements

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### j. Employee benefits

##### a) Short Term Employment Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

##### b) Post-Employment Benefits

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceed the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

### NOTE 2 : FIRST TIME ADOPTIONS OF IND AS

- (i) These financial statements of Sreeleathers Limited, for the year ended 31st March, 2018, are the first financial statements, the Company has prepared in accordance with Ind AS.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended 31st March, 2018, together with the comparative figures for the year ended 31st March, 2017, as described in the summary of significant accounting policies.

The Company has prepared the opening Balance Sheet as per Ind AS as of 1st April, 2016 (the transition date) by:

- Recognising all assets and liabilities whose recognition is required by Ind AS,
- Not recognising items of assets or liabilities which are not permitted by Ind AS,
- Reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and
- Applying Ind AS in measurement of recognised assets and liabilities.

- (ii) Ind AS 101 mandates certain exceptions and allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in the financial statements:

- Deemed Cost** - Property, plant and equipment and intangible assets were carried in the Balance Sheet prepared in accordance with previous GAAP on 1st April, 2016. Under Ind AS, the Company has elected to regard such carrying values as deemed cost at the date of transition.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 : FIRST TIME ADOPTIONS OF IND AS (Contd.)

- b) **Designation of previously recognised financial statements:** Under IndAS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. IndAS 101 allows such designation of previously recognized financial assets, as 'fair value through other comprehensive income' on the basis of the facts and circumstances that existed at the date of transition to IndAS.

Accordingly, the Company has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to IndAS.

(iii) **The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101**

1. Reconcillation of Balance sheet as at April 1, 2016 and March 31, 2017.
2. Reconcillation of Total comprehensive Income for the year ended March 31, 2017

### Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS

Particulars	Note	Balance Sheet as at March 31, 2017			Balance Sheet as at March 31, 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
<b>ASSETS</b>							
Non-current assets							
Property, Plant & Equipment		1,568,799,526.77	-	1,568,799,526.77	1,580,275,382.65	-	1,580,275,382.65
Goodwill		12,190,682.26		12,190,682.26	12,190,682.26		12,190,682.26
Financial Assets							
Investment		551,135,839.69	87,840,683.38	638,976,523.07	276,171,950.27	39,279,232.01	315,451,182.28
Other Financial Assets		3,494,840.44	-	3,494,840.44	3,448,839.36	-	3,448,839.36
Deferred Tax Assets (net)		9,287,557.25	-	9,287,557.25	7,592,273.29	-	7,592,273.29
Other Non Current Asset		107,555.28	-	107,555.28	482,042.03	-	482,042.03
<b>Total non-current assets</b>		<b>2,145,016,001.69</b>	<b>87,840,683.38</b>	<b>2,232,856,685.07</b>	<b>1,880,161,169.86</b>	<b>39,279,232.01</b>	<b>1,919,440,401.87</b>
Current assets							
Inventories		95,295,744.84	-	95,295,744.84	82,846,973.00	-	82,846,973.00
Financial Assets							
Trade Receivables		8,390,406.00	(1,065,341.70)	7,325,064.30	1,387,143.58	(1,065,341.70)	321,801.88
Cash & Cash equivalents		57,507,937.89	-	57,507,937.89	180,649,530.96	-	180,649,530.96
Short Term Loan & Advances		8,892,202.22		8,892,202.22	7,030,285.10		7,030,285.10
Other Financial Assets		1,496,499.74		1,496,499.74	9,740,739.04		9,740,739.04
Income Tax Assets(Net)		65,431,283.00		65,431,283.00	55,431,283.00		55,431,283.00
Other Current Asset		660,130.50		660,130.50	1,447,241.10		1,447,241.10
<b>Total current assets</b>		<b>237,674,204.19</b>	<b>(1,065,341.70)</b>	<b>236,608,862.49</b>	<b>338,533,195.78</b>	<b>(1,065,341.70)</b>	<b>337,467,854.08</b>
<b>Total assets</b>		<b>2,382,690,205.88</b>	<b>86,775,341.68</b>	<b>2,469,465,547.56</b>	<b>2,218,694,365.64</b>	<b>38,213,890.31</b>	<b>2,256,908,255.95</b>
<b>EQUITY AND LIABILITIES</b>							
Equity							
Equity share capital		251,550,120.00		251,550,120.00	251,550,120.00		251,550,120.00
Reserve & Surplus		1,954,054,410.88	86,775,341.68	2,040,829,752.57	1,820,024,267.97	38,213,890.31	1,858,238,158.28
<b>Total equity</b>		<b>2,205,604,530.88</b>	<b>86,775,341.68</b>	<b>2,292,379,872.57</b>	<b>2,071,574,387.97</b>	<b>38,213,890.31</b>	<b>2,109,788,278.28</b>
<b>Liabilities</b>							
Non-current liabilities							
Other Long term Liabilities		15,306,380.70		15,306,380.70	15,309,908.70		15,309,908.70
<b>Total non-current liabilities</b>		<b>15,306,380.70</b>		<b>15,306,380.70</b>	<b>15,309,908.70</b>		<b>15,309,908.70</b>
<b>Current liabilities</b>							
Financial Liabilities							
Trade Payables		47,028,438.38		47,028,438.38	33,776,516.55		33,776,516.55
Other Financial Liabilities		37,690,494.59		37,690,494.59	31,548,988.29		31,548,988.29
Other Current Liabilities		3,261,576.02		3,261,576.02	1,841,232.82		1,841,232.82
Provisions		73,798,785.31		73,798,785.31	64,643,331.31		64,643,331.31
<b>Total current liabilities</b>		<b>161,779,294.30</b>	<b>-</b>	<b>161,779,294.30</b>	<b>131,810,068.97</b>	<b>-</b>	<b>131,810,068.97</b>
<b>Total liabilities and equity</b>		<b>2,382,690,205.88</b>	<b>86,775,341.68</b>	<b>2,469,465,547.57</b>	<b>2,218,694,365.64</b>	<b>38,213,890.31</b>	<b>2,256,908,255.95</b>

### Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to INDAS

#### A. Property Plant and Equipment

Under Ind AS, the Company has elected to opt for cost model with respect to property, plant and equipments, and goodwill.

#### B. Investment

Under the previous GAAP, investment in equity instruments or mutual funds were classified as long term investments or current investment based on the intended holding period and realisability. The Company accounted for long term investments in equity shares as investment measured at cost less provision for a other than temporary diminution in the value of investments, if any.

Under Ind AS, the Company has the option to designate such investments either as FVTOCI or FVTPL investments based on business model test as per Ind AS 109. Further, in case of a subsidiary, the Company has the option to account for investment in shares either at cost/deemed cost or FVTOCI or FVTPL as at the transition date.

#### C. Other Equity

Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the Investment in Unquoted Equity Instruments and Quoted Mutual fund.

#### D. Trade Receivables

The company has used practical expedient by computing the expected loss allowance for trade receivables based on historical credit loss experience and adjustment for forward looking information.

### 2.2.2 Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS

Particulars	Note	Year ended March 31, 2017	
		IGAAP	Effects of transition to Ind-AS
<b>INCOME</b>			
Revenue from Operations		995,853,233.18	-
Other Income		14,248,018.17	-
<b>Total Revenue</b>		<b>1,010,101,251.35</b>	<b>1,010,101,251.35</b>
<b>EXPENDITURE</b>			
Purchase of Stock-in-Trade		711,852,835.79	-
Changes in Inventories of Finished Goods, Stock-in-Process and Stock in Trade		(12,448,771.84)	-
Employees Benefits Expenses		24,785,852.52	-
Finance Costs		2,769,971.59	-
Depreciation		12,460,176.87	-
Other Expenses		65,290,210.13	-
<b>Total Expenses</b>		<b>804,710,275.06</b>	<b>804,710,275.06</b>
<b>Profit/(Loss) before Exceptional &amp; Extraordinary items &amp; Tax</b>		<b>205,390,976.29</b>	<b>-</b>
Exceptional Items			
<b>Profit/(Loss) before Extraordinary items &amp; Tax</b>		<b>205,390,976.29</b>	<b>-</b>
Extraordinary Items (Refer Note No.38)		-	-
<b>Profit/(Loss) Before Tax</b>		<b>205,390,976.29</b>	<b>-</b>
<b>Tax Expenses</b>			
Current Tax		71,875,194.31	71,875,194.31
Deferred Tax		(1,695,283.96)	(1,695,283.96)
Tax for Earlier Years		1,180,923.03	1,180,923.03
<b>Profit for the year</b>		<b>134,030,142.91</b>	<b>-</b>
<b>Other comprehensive income</b>			
Investment adjustment		-	48,561,451.38
<b>Total other comprehensive income, net of tax</b>		<b>-</b>	<b>48,561,451.38</b>
<b>Total comprehensive income, for the period</b>		<b>134,030,142.91</b>	<b>48,561,451.38</b>
			<b>182,591,594.29</b>

### NOTES TO FINANCIAL STATEMENTS

**Explanations for reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS**

#### Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes Investment in equity instruments and Mutual Funds etc. The concept of other comprehensive income did not exist under previous GAAP.

Particulars	As at 31st March 2018 ₹	As at 31st March 2017 ₹	As at 31st March 2016 ₹
<b>NOTE 3 : INVESTMENTS</b>			
Non-current investments			
<b>A. Investment in Equity Shares:</b>			
Unquoted - Associates:			
Shoeline Trading Pvt Ltd. (F.V. Rs 10)	1,571,011.400	1,569,918.03	1,572,783.41
<b>Total</b>	<b>1,571,011.400</b>	<b>1,569,918.032</b>	<b>1,572,783.408</b>
<b>B. Investment in Mutual Fund</b>			
Sundram Bond Saver	9,197,915.25	8,673,720.59	7,914,725.29
Sundram Select Debt Short- Term Plan	44,376,090.31	41,882,286.48	39,601,688.14
ICICI Income Plan Regular Growth	14,363,431.86	13,639,541.16	12,513,955.68
ICICI Pru - Dynamic Bond Fund - Regular Plan - Growth	3,635,443.41	3,445,683.27	3,161,446.50
ICICI Pru - Regular Saving Fund	207,631,059.98	185,018,553.84	155,249,909.94
ICICI Pru - Balance Advantage Fund- Growth	14,733,131.09	13,456,052.07	-
ICICI Pru. Corporate Bond Fund	40,890,281.69	38,357,640.75	36,288,586.51
ICICI Pru. Large Cap Fund	-	1,171,967.03	980,861.29
ICICI Prudential Corporate Bond Fund -Direct Plan Growth	11,815,455.69	10,989,044.96	-
ICICI Income Opportunities Fund Direct Plan Growth	17,412,585.46	16,404,258.92	-
ICICI Pru - Dynamic Bond Fund - Direct Plan - Growth	29,387,277.87	27,610,130.34	-
ICICI Pru. Long Term-Direct Plan Growth	12,107,618.69	11,301,703.63	-
ICICI Pru - Regular Saving Fund-Direct Plan-Growth	96,633,727.85	23,618,122.67	-
ICICI Income Direct Plan Growth	-	20,777,239.87	-
Reliance Regular Saving Fund Debt Plan	11,251,758.45	10,530,852.40	9,865,397.09
HDFC Liquid Fund Growth	-	3,425,256.22	3,194,995.29
Reliance Liquid Fund Treasury Plan	-	-	181,732.39
Reliance Medium Term Fund- Direct	41,589,790.41	-	-
Reliance Corporate Bond Fund- Direct Growth Plan	94,831,185.14	88,219,625.25	-
Reliance Regular Saving Fund Debt Plan	118,514,325.45	90,988,227.45	-
HDFC High Interest Growth	-	11,045,333.07	9,945,340.32
HDFC Income Fund Growth	-	11,005,306.69	9,977,156.01
HDFC Med. Term Oppt. Fund	-	5,846,058.36	5,318,457.82
ICICI Pru- FMP Series	-	-	19,324,068.10
HDFC Gilt Fund- Long Term Growth	-	-	360,078.50
<b>Total</b>	<b>768,371,078.60</b>	<b>637,406,605.04</b>	<b>313,878,398.87</b>
<b>Total NAV - Mutual Funds</b>	<b>761,163,393.99</b>	<b>639,803,129.27</b>	<b>313,878,398.87</b>
<b>Total(A+B)</b>	<b>769,942,090.00</b>	<b>638,976,523.07</b>	<b>315,451,182.28</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 : INVESTMENTS (Contd.)

#### Fair Value Measurement

#### Financial Instruments by Category and hierarchy

**The Company uses following hierarchy for determining and disclosing the fair value of financial instruments by Valuation technique :**

Level 1 : Quoted (Unadjusted) Prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have significant effect on the recorded fair value are observable either directly or indirectly.

Level 3 : Techniques which use inputs have a significant effect on the recorded fair value that are not based on observable market data.

	Non Current	Current	Total	Fair Value Through Profit and Loss			Fair Value Through Other Comprehensive Income			Carried at Amortised cost			Total Amount
				Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
<b>Financial Assets and Liabilities as at 1st April 2016</b>													
<b>Financial Assets</b>													
<b>Investments</b>													
Unquoted Equity Instruments	1,572,783.41	-	1,572,783.41	-	-	-	-	-	-	-	-	1,572,783.41	
Investment in Mutual Fund	313,878,398.87	-	313,878,398.87	-	-	-	313,878,398.87	-	-	-	-	313,878,398.87	
	<b>315,451,182.28</b>	-	<b>315,451,182.28</b>	-	-	-	<b>313,878,398.87</b>	<b>1,572,783.41</b>	-	-	-	<b>315,451,182.28</b>	
<b>Other Financial Assets</b>													
Security Deposits	3,448,839.36	-	3,448,839.36	-	-	-	-	-	-	3,448,839.36	3,448,839.36	3,448,839.36	
Trade Receivables	-	321,801.88	321,801.88	-	-	-	-	-	-	321,801.88	321,801.88	321,801.88	
Cash & Cash Equivalent	-	180,649,530.96	180,649,530.96	-	-	-	-	-	-	180,649,530.96	180,649,530.96	180,649,530.96	
Loans and Advances	-	7,030,285.10	7,030,285.10	-	-	-	-	-	-	7,030,285.10	7,030,285.10	7,030,285.10	
<b>Other Financial Assets</b>	-	9,740,739.04	9,740,739.04	-	-	-	-	-	-	9,740,739.04	9,740,739.04	9,740,739.04	
	<b>3,448,839.36</b>	<b>197,742,356.98</b>	<b>201,191,196.34</b>	-	-	-	-	-	-	<b>201,191,196.34</b>	<b>201,191,196.34</b>	<b>201,191,196.34</b>	
<b>Financial Liabilities</b>													
<b>Other Financial Liabilities</b>													
Security Deposit from agents	15,150,000.00	-	15,150,000.00	-	-	-	-	-	-	-	-	-	
Security Deposits (Construction)	20,183.00	-	20,183.00	-	-	-	-	-	-	20,183.00	20,183.00	20,183.00	
Refundable Retainership Money	82,836.00	-	82,836.00	-	-	-	-	-	-	82,836.00	82,836.00	82,836.00	
Uncleared Cheques of CRB Capital Market	56,889.70	-	56,889.70	-	-	-	-	-	-	56,889.70	56,889.70	56,889.70	
<b>Trade Payable</b>	-	33,776,516.55	33,776,516.55	-	-	-	-	-	-	33,776,516.55	33,776,516.55	33,776,516.55	
<b>Other Financial Liabilities</b>	-	31,548,988.29	31,548,988.29	-	-	-	-	-	-	31,548,988.29	31,548,988.29	31,548,988.29	
	<b>15,309,908.70</b>	<b>65,325,504.84</b>	<b>80,635,413.54</b>	-	-	-	-	-	-	<b>80,635,413.54</b>	<b>80,635,413.54</b>	<b>80,635,413.54</b>	
<b>Financial Assets and Liabilities as at 31st March 2017</b>													
<b>Financial Assets</b>													
<b>Investments</b>													
Unquoted Equity Instruments	1,569,918.03	-	1,569,918.03	-	-	-	1,569,918.03	-	-	-	-	1,569,918.03	
Investment in Mutual Fund	637,406,605.04	-	637,406,605.04	-	-	-	637,406,605.04	-	-	-	-	637,406,605.04	
	<b>638,976,523.07</b>	-	<b>638,976,523.07</b>	-	-	-	<b>637,406,605.04</b>	<b>1,569,918.03</b>	-	-	-	<b>638,976,523.07</b>	
<b>Other Financial Assets</b>													
Security Deposits	3,494,840.44	-	3,494,840.44	-	-	-	-	-	-	3,494,840.44	3,494,840.44	3,494,840.44	
Trade Receivables	-	7,325,064.30	7,325,064.30	-	-	-	-	-	-	7,325,064.30	7,325,064.30	7,325,064.30	
Cash & Cash Equivalent	-	57,507,937.89	57,507,937.89	-	-	-	-	-	-	57,507,937.89	57,507,937.89	57,507,937.89	
Loans and Advances	-	8,892,202.22	8,892,202.22	-	-	-	-	-	-	8,892,202.22	8,892,202.22	8,892,202.22	
<b>Other Financial Assets</b>	-	1,496,499.74	1,496,499.74	-	-	-	-	-	-	1,496,499.74	1,496,499.74	1,496,499.74	
	<b>3,494,840.44</b>	<b>75,221,704.15</b>	<b>78,716,544.59</b>	-	-	-	-	-	-	<b>78,716,544.59</b>	<b>78,716,544.59</b>	<b>78,716,544.59</b>	

	Non Current	Current	Total	Fair Value Through Profit and Loss			Fair Value Through Other Comprehensive Income			Carried at Amortised cost			Total Amount
				Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial Liabilities													
Other Financial Liabilities	-		-	-	-	-	-	-	-	-	-	-	
Security Deposit from agents	15,150,000.00		15,150,000.00							15,150,000.00	15,150,000.00	15,150,000.00	
Security Deposits (Construction)	20,183.00		20,183.00							20,183.00	20,183.00	20,183.00	
Refundable Retainership Money	79,308.00		79,308.00							79,308.00	79,308.00	79,308.00	
Uncleared Cheques of CRB Capital Market	56,889.70		56,889.70							56,889.70	56,889.70	56,889.70	
Trade Payable	-	47,028,438.38	47,028,438.38	-	-	-	-	-	-	47,028,438.38	47,028,438.38	47,028,438.38	
Other Financial Liabilities	-	37,690,494.59	37,690,494.59	-	-	-	-	-	-	37,690,494.59	37,690,494.59	37,690,494.59	
	15,306,380.70	84,718,932.97	100,025,313.67	-	-	-	-	-	-	100,025,313.67	100,025,313.67	100,025,313.67	
Financial Assets and Liabilities as at 31st March 2018													
Financial Assets													
Investments													
Unquoted Equity Instruments	1,571,011.40	-	1,571,011.40	-	-	-	-	-	-	-	-	1,571,011.40	
Investment in Mutual Fund	768,371,078.60		768,371,078.60	-	-	-	-	768,371,078.60	-	-	-	768,371,078.60	
	769,942,090.00	-	769,942,090.00	-	-	-	-	768,371,078.60	1,571,011.40	-	-	769,942,090.00	
Other Financial Assets													
Security Deposits	2,754,299.00	-	2,754,299.00	-	-	-	-	-	-	2,754,299.00	2,754,299.00	2,754,299.00	
Trade Receivables	-	4,355,613.30	4,355,613.30	-	-	-	-	-	-	4,355,613.30	4,355,613.30	4,355,613.30	
Cash & Cash Equivalent	-	262,063,139.98	262,063,139.98	-	-	-	-	-	-	262,063,139.98	262,063,139.98	262,063,139.98	
Loans and Advances	-	33,968,935.38	33,968,935.38	-	-	-	-	-	-	33,968,935.38	33,968,935.38	33,968,935.38	
Other Financial Assets	-	1,528,967.69	1,528,967.69	-	-	-	-	-	-	1,528,967.69	1,528,967.69	1,528,967.69	
	2,754,299.00	301,916,656.35	304,670,955.35	-	-	-	-	-	-	304,670,955.35	304,670,955.35	304,670,955.35	
Financial Liabilities													
Other Financial Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	
Security Deposit from agents	12,150,000.00		12,150,000.00	-	-	-	-	-	-	12,150,000.00	12,150,000.00	12,150,000.00	
Security Deposits (Construction)	20,183.00		20,183.00	-	-	-	-	-	-	20,183.00	20,183.00	20,183.00	
Refundable Retainership Money	79,308.00		79,308.00	-	-	-	-	-	-	79,308.00	79,308.00	79,308.00	
Uncleared Cheques of CRB Capital Market	56,889.70		56,889.70	-	-	-	-	-	-	56,889.70	56,889.70	56,889.70	
Trade Payable	-	42,196,831.91	42,196,831.91	-	-	-	-	-	-	42,196,831.91	42,196,831.91	42,196,831.91	
Other Financial Liabilities	-	160,896,718.30	160,896,718.30	-	-	-	-	-	-	160,896,718.30	160,896,718.30	160,896,718.30	
	12,306,380.70	203,093,550.21	215,399,930.91	-	-	-	-	-	-	215,399,930.91	215,399,930.91	215,399,930.91	

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 : INVESTMENTS (Contd.)

#### (A) Financial risk management objectives and policies

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

#### B) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

- (i) **Interest rate risk** - is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company have some fixed rate unsecured borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.
- (ii) **Foreign currency risk** - is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company does not have any foreign exchange transactions or any derivative instruments for trading or speculative purposes. So foreign currency risk is zero.
- (iii) **Other price risk** - is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in mutual funds, bonds, equity instruments etc. The Company is exposed to price risk arising mainly from investments in mutual funds recognised at FVTOCI. As at 31st March, 2018, the carrying value of mutual funds recognised at FVTOCI amounts to Rs. 76.84 crores (Previous year Rs 63.74 crores and Rs 31.38 crores as at 1st April, 2016).

The Company is mainly exposed to change in market rates of its investments in equity investments recognised at FVTOCI. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

If the equity prices had been higher/lower by 5% from the market prices existing as at 31st March, 2017, Other Comprehensive Income for the year ended 31st March, 2018 would increase/decrease by Rs.384.19 lakhs (2016-17 Rs.318.70 lakhs, 2015-16 Rs.156.94 lakhs) with a corresponding increase/decrease in Total Equity of the Company as at 31st March, 2017. 5% represents management's assessment of reasonably possible change in equity prices as the Company has basically invested in Debt oriented Mutual Funds.

#### C) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, derivative financial instruments, other balances with banks, loans and other receivables. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 : INVESTMENTS (Contd.)

#### (D) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The company is exposed to liquidity risk as there is huge amount of trade and other payables. The company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

Maturity patterns of borrowings	0-1 Years	Between 1 to 5 Year	Over 5 Year	Total
Short term borrowings	-	-	-	-
<b>Maturity patterns of other Financial Liabilities</b>	0-3 months	3-6 months	6 months to 12 months	Beyond 12 months
<b>As at 31st March 2018</b>				
Trade Payable	-	-	-	-
Other Financial liability (Current and Non Current)	-	-	-	-
<b>Maturity patterns of other Financial Liabilities</b>	0-3 months	3-6 months	6 months to 12 months	Beyond 12 months
<b>As at 31st March 2017</b>				
Trade Payable	-	-	-	-
Other Financial liability (Current and Non Current)	-	-	-	-
<b>Maturity patterns of other Financial Liabilities</b>	0-3 months	3-6 months	6 months to 12 months	Beyond 12 months
<b>As at 1st April 2016</b>				
Trade Payable	-	-	-	-
Other Financial liability (Current and Non Current)	-	-	-	-

#### 2. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share-holders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders.

Particulars	As at 31st March 2018 ₹	As at 31st March 2017 ₹	As at 31st March 2016 ₹
<b>NOTE 4 : OTHER NON CURRENT FINANCIAL ASSETS</b>			
Security Deposit	2,754,299.00	3,494,840.44	3,448,839.36
<b>NOTE 5 : OTHER NON CURRENT ASSETS</b>			
VAT Refundable	-	-	208,431.00
Tax Deducted at Source	233,219.80	-	1,602,340.13
Deferred Revenue Expenditure	99,350.16	107,555.28	115,760.00
<b>Total</b>	<b>332,569.96</b>	<b>107,555.28</b>	<b>1,926,531.13</b>
<b>NOTE 6 : INVENTORIES</b>			
Stock In Trade	105,126,131.31	91,579,114.49	80,315,129.00
Goods In Transit	777,050.00	3,716,630.35	2,531,844.00
<b>Total</b>	<b>105,903,181.31</b>	<b>95,295,744.84</b>	<b>82,846,973.00</b>
<b>NOTE 7 : TRADE RECEIVABLES</b>			
Sundry Debtors (Unsecured considered good)			
- For more than 6 Months	2,684,110.30	6,036,936.30	5,536,610.30
- Other	1,671,503.00	1,288,128.00	(5,214,808.42)
<b>Total</b>	<b>4,355,613.30</b>	<b>7,325,064.30</b>	<b>321,801.88</b>

### NOTE 8 : FIXED ASSETS

F.Y. 2016-2017

(in ₹)

Description	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK	
	As at 01.04.2016 (Deemed Cost)	Additions	Deductions	As at 31.03.2017	Excess Depn	For the Year	Deductions	As at 31.03.2017	As at 31.03.2017
<b>Tangible Assets</b>									
Land	1,186,205,653.00	-	-	1,186,205,653.00		-	-	-	1,186,205,653.00
Building	356,607,940.16	-	-	356,607,940.16		6,294,786.00	-	6,294,786.00	350,313,154.16
Refrigerator	51,058.14	-	-	51,058.14		3,640.00	-	3,640.00	47,418.14
Office Equipment	9,655.88	36,000.00	-	45,655.88		6,779.00	-	6,779.00	38,876.88
Electrical Installation	4,123,528.70	-	-	4,123,528.70		488,691.32	-	488,691.32	3,634,837.38
Air Conditioner	1,662,408.46	35,500.00	-	1,697,908.46		171,899.97	-	171,899.97	1,526,008.49
Furniture & Fixture	23,263,429.93	-	-	23,263,429.93		4,470,045.31	-	4,470,045.31	18,793,384.03
Television	111,644.43	-	-	111,644.43		17,986.00	-	17,986.00	93,658.43
Computer	250,250.85	837,921.00	-	1,088,171.85	-	286,780.14	-	286,780.14	801,391.71
Motor Vehicle	388,619.33	-	-	388,619.33		106,441.41	-	106,441.41	282,177.92
Goodwill	12,190,682.26	-	-	12,190,682.26		-	-	-	12,190,682.26
Elevator	4,478,104.97	-	-	4,478,104.97		333,259.00	-	333,259.00	4,144,845.97
Fire Alarm System	2,794,238.39	-	-	2,794,238.39		210,504.00	-	210,504.00	2,583,734.39
Mobile Phone	142,674.88	74,900.00	-	217,574.88		51,849.00	-	51,849.00	165,725.88
Camera	40,561.29	-	-	40,561.29		3,240.00	-	3,240.00	37,321.29
CCTV Camera	36,708.24	-	-	36,708.24		4,216.00	-	4,216.00	32,492.24
Security System	107,542.58	-	-	107,542.58		10,059.72	-	10,059.72	97,482.86
Water Cooler	1,364.00	-	-	1,364.00		0.00	-	0.00	1,364.00
<b>TOTAL</b>	<b>1,592,466,064.91</b>	<b>984,321.00</b>	<b>-</b>	<b>1,593,450,386.49</b>	<b>-</b>	<b>12,460,176.87</b>	<b>-</b>	<b>12,460,176.87</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	-	12,358,312.96	-	65,027,019.00	1,592,466,064.91

### NOTE 8 : FIXED ASSETS

F.Y. 2017-2018

(in ₹)

Description	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	Excess Depn	For the Year	Deductions	As at 31.03.2018
<b>Tangible Assets</b>								
Land	1,186,205,653.00	-	-	1,186,205,653.00	-	-	-	1,186,205,653.00
Building	356,607,940.16	-	-	356,607,940.16	-	6,294,786.00	-	344,018,368.16
Refrigerator	51,058.14	-	-	51,058.14	-	3,640.00	-	43,778.14
Office Equipment	45,655.88	16,000.00	-	61,655.88	-	11,435.00	-	43,441.88
Electrical Installation	4,123,528.70	-	-	4,123,528.70	-	488,691.32	-	3,146,146.06
Air Conditioner	1,697,908.46	-	-	1,697,908.46	-	172,053.97	-	1,353,954.52
Furnitur & Fixture	23,263,429.93	-	-	23,263,429.93	-	4,470,045.31	-	14,323,338.72
Television	111,644.43	-	-	111,644.43	-	17,986.00	-	75,672.43
Computer	1,088,171.85	684,347.38	-	1,772,519.23	-	430,079.58	-	1,055,659.51
Motor Vehicle	388,619.33	-	-	388,619.33	-	106,442.41	-	175,735.51
Goodwill	12,190,682.26	-	-	12,190,682.26	-	-	-	12,190,682.26
Elevator	4,478,104.97	-	-	4,478,104.97	-	333,259.00	-	3,811,586.97
Fire Alarm System	2,794,238.39	-	-	2,794,238.39	-	210,504.00	-	2,373,230.39
Mobile Phone	217,574.88	77,875.00	-	295,449.88	-	60,820.00	-	182,780.88
Camera	40,561.29	26,589.00	-	67,150.29	-	4,079.00	-	59,831.29
CCTV Camera	36,708.24	22,500.00	-	59,208.24	-	5,641.00	-	49,351.24
Security System	107,542.58	-	-	107,542.58	-	10,059.72	-	87,423.14
Water Cooler	1,364.00	-	-	1,364.00	-	0.00	-	1,364.00
<b>TOTAL</b>	<b>1,593,450,386.49</b>	<b>827,311.38</b>	<b>-</b>	<b>1,594,277,697.87</b>	<b>0</b>	<b>12,619,522.31</b>	<b>-</b>	<b>1,569,197,998.10</b>
				<b>12,460,176.87</b>				<b>1,580,990,209.03</b>

## NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31st March 2018 ₹	As at 31st March 2017 ₹	As at 31st March 2016 ₹
<b>NOTE 9 : CASH AND CASH EQUIVALENTS</b>			
Balance with banks			
a) In Current Accounts	238,110,669.96	1,962,634.13	22,283,443.58
b) In deposit Account (less than 12 months maturity)	12,917,219.85	43,406,558.85	144,541,737.74
c) In deposit Account(Earmarked for Central Excise)	9,320,010.00	9,320,010.00	9,320,010.00
Cash in Hand	1,494,810.43	2,466,283.17	2,598,209.39
Cheque In Hand			1,526,985.00
Balance in unpaid Dividend Account	220,429.75	352,451.75	379,145.25
<b>Total</b>	<b>262,063,139.99</b>	<b>57,507,937.90</b>	<b>180,649,530.96</b>
<b>NOTE 10 : OTHER CURRENT FINANCIAL ASSETS</b>			
<b>Current Loans &amp; Advances</b>			
FDR with Bank for Bank guarantee	151,314.75	151,314.75	123,000.00
Advance for renovation			500,000.00
Advance for Capital Expenditure	31,666,670.11	5,535,890.40	2,018,041.34
Advance for CESC	484,867.80	374,380.57	223,989.29
Advance to Suppliers	619,601.00	1,887,481.50	
Other Advance	1,046,481.72	943,135.00	4,165,254.47
Interest Receivable from FD	144,076.25	1,007,877.25	9,288,835.51
Interest Receivable from others	224,756.44	190,344.49	244,285.53
Security deposits	965,271.00		19,004.00
Deposit (Assets)	188,614.00	188,614.00	188,614.00
<b>Total</b>	<b>35,491,653.07</b>	<b>10,279,037.96</b>	<b>16,771,024.14</b>
<b>NOTE 11 : INCOME TAX ASSETS (NET)</b>			
Income Tax Refundable	431,283.00	431,283.00	431,283.00
T.D.S Receivable (Current Year)	-	658,010.50	-
Income Tax Advance	122,500,000.00	65,000,000.00	55,000,000.00
<b>Total</b>	<b>122,931,283.00</b>	<b>66,089,293.50</b>	<b>55,431,283.00</b>
<b>NOTE 12 : OTHER CURRENT ASSETS</b>			
Miscellaneous Receivable	8,820.00	111,784.00	2,752.00
<b>Total</b>	<b>8,820.00</b>	<b>111,784.00</b>	<b>2,752.00</b>
<b>NOTE 13 : NON-CURRENT DEFERRED TAX ASSETS (Net)</b>			
Income tax expense in the statement of profit and loss comprises:			
<b>Current Tax</b>			
Current Tax on Taxable income for the year	113,039,257.81	71,875,194.31	62,743,808.31
<b>Total Current tax expense</b>	<b>113,039,257.81</b>	<b>71,875,194.31</b>	<b>62,743,808.31</b>
<b>Deferred Tax</b>			
Deferred Tax charge /(Credit)	(1,935,855.69)	(1,695,283.96)	(1,481,451.00)
MAT Credit (Taken)/Utilised	-	-	-
<b>Total deferred Income Tax Expense/(Benefit)</b>	<b>(1,935,855.69)</b>	<b>(1,695,283.96)</b>	<b>(1,481,451.00)</b>

### NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016			
	₹	₹	₹			
<b>NOTE 13 : NON-CURRENT DEFERRED TAX ASSETS (Net) (Contd.)</b>						
Tax in respect of earlier years	646,106.69	1,180,923.03	-			
<b>Total Income tax expense</b>	<b>111,749,508.81</b>	<b>74,751,401.30</b>	<b>61,262,357.31</b>			
<b>The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:</b>						
Deffered Tax Asset - Opening Balance	9,287,557.25	7,592,273.29	6,110,822.29			
Timing Difference						
Depreciation Difference	1,935,855.69	1,695,283.96	1,481,451.00			
<b>Deffered Tax Asset - Closing Balance</b>	<b>11,223,412.94</b>	<b>9,287,557.25</b>	<b>7,592,273.29</b>			
<b>NOTE 14 : EQUITY SHARE CAPITAL</b>						
<b>Authorized</b>						
26000000 Equity Shares of Rs. 10 each	260,000,000.00	260,000,000.00	260,000,000.00			
<b>Total</b>	<b>260,000,000.00</b>	<b>260,000,000.00</b>	<b>260,000,000.00</b>			
<b>Issued, Subscribed and Paid-Up</b>						
25155012 equity shares of Rs.10/- each fully paid	251,550,120.00	251,550,120.00	251,550,120.00			
<b>Total</b>	<b>251,550,120.00</b>	<b>251,550,120.00</b>	<b>251,550,120.00</b>			
<b>The details of shareholder holding more than 5% shares as at March 31, 2018, March 31, 2017 and March 31, 2016 are set out below :</b>						
	No. of shares	% held	No. of shares	% held	No. of shares	% held
<b>Equity Shares:</b>						
Easel Advertising Private Limited	3,239,500	12.88	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	5,124,666	20.37
Satya Brata Dey	4,400,451	17.49	4,208,527	16.73	4,108,527	16.33
<b>NOTE 15 : RESERVE &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	1,407,742,545.00	1,407,742,545.00
	<b>1,407,742,545.00</b>	<b>1,407,742,545.00</b>	<b>1,407,742,545.00</b>	<b>1,407,742,545.00</b>	<b>1,407,742,545.00</b>	<b>1,407,742,545.00</b>
<b>Surplus in Profit &amp; Loss Statement</b>						
Balance at the beginning of the year	633,087,207.57	450,495,613.28	337,891,783.68			
Profit/ (loss) for the year	258,202,428.39	182,591,594.29	112,603,829.60			
Profit available for appropriation	<b>891,289,635.96</b>	<b>633,087,207.57</b>	<b>450,495,613.28</b>			
Excess/Short Depreciation Charged						
<b>Total</b>	<b>891,289,635.96</b>	<b>633,087,207.57</b>	<b>450,495,613.28</b>			
<b>Total- Reserves &amp; Surplus</b>	<b>2,299,032,180.96</b>	<b>2,040,829,752.57</b>	<b>1,858,238,158.28</b>			
<b>NOTE 16 : OTHER NON -CURRENT LIABILITIES</b>						
Security Deposit from agents	12,150,000.00	15,150,000.00	15,150,000.00			
Security Deposits (Construction)	20,183.00	20,183.00	20,183.00			
Refundable Retainership Money	79,308.00	79,308.00	82,836.00			
Uncleared Cheques of CRB Capital Market	56,889.70	56,889.70	56,889.70			
<b>Total</b>	<b>12,306,380.70</b>	<b>15,306,380.70</b>	<b>15,309,908.70</b>			

## NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31st March 2018 ₹	As at 31st March 2017 ₹	As at 31st March 2016 ₹
<b>NOTE 17 : TRADE PAYABLES</b>			
Sundry Creditors	42,196,831.91	47,028,438.38	33,776,516.55
<b>Total</b>	<b>42,196,831.91</b>	<b>47,028,438.38</b>	<b>33,776,516.55</b>
<b>NOTE 18 : BORROWINGS</b>			
Unsecured Loans	11,005,672.000	27,720,435.00	27,661,500.00
<b>Total</b>	<b>11,005,672.00</b>	<b>27,720,435.00</b>	<b>27,661,500.00</b>
<b>NOTE 19 : OTHER FINANCIAL LIABILITIES</b>			
Interest payable on security deposits	171,000.000	96,750.00	22,500.00
Short Term Advance	140,000,000.000	-	-
Creditors for expenses	2,899,385.130	1,932,032.00	3,311,034.74
Car Loan current maturity	-	-	44,394.30
Advance from Seller	72,526.000		124,164.00
Advance From Customer	5,721,474.420	7,582,575.84	-
<b>Total</b>	<b>148,864,385.55</b>	<b>9,611,357.84</b>	<b>3,502,093.04</b>
<b>NOTE 20 : OTHER CURRENT LIABILITIES</b>			
TDS Payable	493,012.800	617,360.00	568,036.14
Sales Tax TDS	1,822.000	1,346.00	614.00
VAT Payable	(20,063.470)	943,688.02	582,809.68
Entry Tax Payable	(302.000)	126,726.00	93,184.00
Service Tax Payable	8.000	8,528.00	901.00
CST Payable	(1,004.090)	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)	98,630.000	98,630.00	98,630.00
Unclaimed Dividend (2011 - 12)	49,372.000	49,372.00	49,372.00
Unclaimed Dividend (2012 - 13)	78,677.750	78,677.75	78,677.75
Other Outstanding Expenses	843,981.000		
CGST Payable	15,357.330	-	-
SGST Payable	179,956.760	-	-
IGST Payable	2,225,217.660	-	-
Auditors Remuneration	550,000.000	1,125,000.00	500,000.00
<b>Total</b>	<b>4,514,665.740</b>	<b>3,620,277.770</b>	<b>2,226,628.070</b>
<b>NOTE 21 : SHORT TERM PROVISIONS</b>			
Providend Fund Payble	63,512.00	65,498.00	69,093.00
ESI Payble	20,731.00	33,182.00	26,988.00
Professional Tax Payble	3,400.00	5,680.00	5,750.00
Provision for Income Tax	113,039,257.81	71,875,194.31	62,743,808.31
Provision for Gratuity	1,606,923.00	1,819,231.00	1,797,692.00
<b>Total</b>	<b>114,733,823.81</b>	<b>73,798,785.31</b>	<b>64,643,331.31</b>

### NOTES TO FINANCIAL STATEMENTS

Particulars	Year ended 31st March 2018 ₹	Year ended 31st March 2017 ₹
<b>NOTE 22 : INCOME TAXES</b>		
<b>Income tax expense in the statement of profit and loss comprises:</b>		
Current taxes	113,039,257.81	71,875,194.31
Deferred taxes	(1,935,855.69)	(1,695,283.96)
Tax for Earlier Years	646,106.69	1,180,923.03
<b>Income tax expense</b>	<b>111,749,508.81</b>	<b>71,360,833.38</b>
<b>NOTE 23 : REVENUE FROM OPERATIONS</b>		
Sale Of Goods	1,409,626,951.02	995,853,233.18
Less: Excise duty	-	-
<b>Total</b>	<b>1,409,626,951.02</b>	<b>995,853,233.18</b>
<b>NOTE 24 : OTHER INCOME</b>		
Interest on Fixed Deposits	2,139,585.00	6,332,499.00
Rent Received	4,547.00	5,658.00
Profit on sale of Investment	16,048,044.32	7,136,627.37
Interest on security deposits	192,618.68	247,607.32
Other Income	897,734.92	525,626.48
<b>Total</b>	<b>19,282,529.92</b>	<b>14,248,018.17</b>
<b>NOTE 25 : PURCHASE ACCOUNTS</b>		
Purchase	1,010,508,686.88	711,169,934.79
Reverse Credit on stock transfer	199,863.00	682,901.00
<b>Total</b>	<b>1,010,708,549.88</b>	<b>711,852,835.79</b>
<b>NOTE 26 : CHANGES IN INVENTORIES OF STOCK IN TRADE &amp; TRANSIT</b>		
Stock In Trade	(10,607,435.96)	(9,001,318.24)
Goods In Transit	-	(3,447,453.60)
<b>Total</b>	<b>(10,607,435.96)</b>	<b>(12,448,771.84)</b>
<b>NOTE 27 : EMPLOYEE BENEFIT EXPENSES</b>		
Salary & Wages	7,136,200.00	11,622,307.00
ESI Expenses	219,390.00	272,737.00
Provident Fund	412,928.00	431,277.00
Exgratia to Staff	794,100.00	702,539.00
Staff Welfare	7,679,909.61	2,605,012.52
Security Staff Charges	3,276,513.92	3,151,980.00
Directors Remuneration	9,600,000.00	6,000,000.00
<b>Total</b>	<b>29,119,041.53</b>	<b>24,785,852.52</b>
<b>NOTE 28 : FINANCE COSTS</b>		
Bank Charges	242,434.68	169,193.89
Interest On TDS	3,509.00	90.00
Interest on Security Deposit	82,500.00	82,500.00
Other Interest on Borrowings	1,153,376.96	2,518,187.70
<b>Total</b>	<b>1,481,820.64</b>	<b>2,769,971.59</b>

### NOTES TO FINANCIAL STATEMENTS

Particulars	Year ended 31st March 2018 ₹	Year ended 31st March 2017 ₹
<b>NOTE 29 : OTHER EXPENSES</b>		
Advertisement	19,718,304.95	31,821,933.47
AGM Expenses	217,424.10	124,620.00
Annual Maintenance Charges	192,765.49	236,516.17
Audit Fees	984,000.00	968,402.00
Buyback Offer Expenses	2,137,680.00	-
Bank Charges On Credit Card	713,236.07	521,074.02
Car Running Expenses	19,760.00	69,424.06
Carry Bag	5,904,769.00	5,437,903.00
Computer Maintenance	3,500.00	13,074.00
Courier Charges	104,830.00	161,556.00
Custodial Fees	211,045.00	230,431.00
Consultancy Charges	432,270.00	330,250.00
CST Shortage Form	-	18,290.00
Depository Charges	-	35,704.00
Donation	79,000.00	40,000.00
Entry Tax Paid	374,534.00	1,404,049.00
Electricity Charges	4,391,096.00	4,638,274.64
Freight	6,072,770.92	4,125,318.00
General Expenditure	6,682,936.61	3,998,080.46
Insurance Charges	6,290.00	2,723.00
Input Tax Disallowance	86,871.00	215,317.00
Ineligible CGST Input	113,438.94	-
Ineligible SGST Input	113,438.94	-
Legal Charges	659,720.00	342,300.00
Listing Fees	480,000.00	546,253.00
Listing Compliance Fees	80,000.00	60,000.00
Printing & Stationery	276,500.26	218,534.00
Prior Period Expenses	-	1,126,475.16
Professional Fees	1,654,000.00	462,344.00
Professional Tax	7,500.00	2,500.00
ROC filing fees	7,200.00	7,200.00
Rates & Taxes	781,078.00	960,258.00
Repairs & Maintenance	2,790,648.28	1,705,609.00
Rent	4,094,730.12	4,323,149.12
Round Off	7,246.01	316.56
Sales Promotion	-	82,763.00
Sales Tax Assessment Dues	-	101,774.00
Service Tax	176,639.00	514,261.00
Telephone & Internet Expenses	242,244.00	400,364.47
Travelling & Conveyance	39,530.00	43,169.00
Taxes and Duties on Expenses	211,449.00	-
VAT Demand	1,710.00	-
VAT on Non Trading Goods	50,370.00	-
<b>Total</b>	<b>60,120,525.69</b>	<b>65,290,210.13</b>



## NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31st March 2018 ₹	As at 31st March 2017 ₹
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### NOTE 30 : RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNING PER SHARE AS PER IND AS 33

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

a) Profit for the year(In Rs)	213,717,948.04	134,030,142.91
weighted average number of equity shares and common equivalent shares outstanding	25,155,012.00	25,155,012.00
b) Earning per share(Basic and Diluted)	8.50	5.33
Face value per share	10.00	10.00

Particulars	As at 31st March 2018 ₹	As at 31st March 2017 ₹	As at 31st March 2016 ₹
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### NOTE 31 : CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Appeals filed in respect of disputed demands,  
where the department is in appeal :

Central Excise Tax	9,320,010.00	9,320,010.00	9,320,010.00
<b>Total</b>	<b>9,320,010.00</b>	<b>9,320,010.00</b>	<b>9,320,010.00</b>

### NOTE 32 : DISCLOSURES OF TRANSACTION WITH RELATED PARTY AS REQUIRED IND AS 24

#### 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.**

#### Purchase of Goods

M/S Sreeleathers	48,270,083.55	38,198,784.00	21,074,502.00
Sumanta Susanta Overseas (P) Ltd	7,272,315.70	10,577.00	1,125,783.00
Sumanta Susanta Export (P) Ltd	538,928.00	527,921.00	
Tug Overseas (P) Ltd.		99,884.00	
<b>Total</b>	<b>56,081,327.25</b>	<b>38,837,166.00</b>	<b>22,200,285.00</b>

#### Sale of Goods

M/S Sreeleathers	59,833,647.00	21,717,843.00	15,164,742.00
Upkar Vinimay (P) Ltd	4,482,034.00	14,329,631.00	50,621,657.00
<b>Total</b>	<b>64,315,681.00</b>	<b>36,047,474.00</b>	<b>65,786,399.00</b>

#### Remuneration

Satya Brata Dey	9,600,000.00	6,000,000.00	2,400,000.00
<b>Total</b>	<b>9,600,000.00</b>	<b>6,000,000.00</b>	<b>2,400,000.00</b>

### NOTES TO FINANCIAL STATEMENTS

Nature of Transactions	Year ended 31st March 2018 ₹	Year ended 31st March 2017 ₹	Year ended 31st March 2016 ₹
Balance as on 31.03.2018			
<b>Trade Receivables</b>			
M/S Sreeleathers	1,459,604.00	757,186.00	-
Upkar Vinimay (P) Ltd		226,469.00	591,979.00
Duel Leather Dzines (P) Ltd			
<b>Total</b>	<b>1,459,604.00</b>	<b>983,655.00</b>	<b>591,979.00</b>
Balance as on 31.03.2018			
<b>Trade Payable</b>			
Sumanta Susanta Export (P) Ltd	109,811.00	64,794.00	-
Sumanta Susanta Overseas (P) Ltd	7,927,931.45		
M/S Sreeleathers	828,972.55	817,251.00	
<b>Total</b>	<b>8,866,715.00</b>	<b>882,045.00</b>	<b>-</b>
<b>NOTE 33 : AUDIT FEES</b>			
(a) Audit Fees	531,775.00	558,675.00	606,114.00
(b) Fees for tax matters	185,055.00	185,055.00	142,350.00
(c) Fees for Company Law Matters	76,050.00	76,050.00	58,500.00
(d) For Tax Audit Fees	81,120.00	81,120.00	62,400.00
<b>Total</b>	<b>874,000.00</b>	<b>900,900.00</b>	<b>869,364.00</b>

### NOTE 34 : 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.

### NOTE : 35

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.

### NOTE : 36

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

### NOTE : 37

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.

### NOTE : 38

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 2017-2018. 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.

### As per our report of even date attached

For Chanani & Associates  
Chartered Accountants  
Firm's Regn. No. : 325425E

### For and on behalf of the Board of Directors

(CA Madhaw Chanani)  
Membership No. : 060624  
Partner  
Kolkata, 30th May, 2018

**SATYABRATA DEY**  
(Managing Director)  
(DIN : 00569965)

**SADHANA ADHIKARY**  
(Director)  
(DIN : 02974882)

**SUJAY BHATTACHERJEE**  
(Chief Financial Officer)

**B. K. ROY**  
(Company Secretary)

**BOOK POST  
PRINTED MATTER**

*If undelivered, return to :*

**Sreeleathers Limited**

**6, Tottee Lane**

**Kolkata - 700 016**

**Phone : (033) 2286-1506**

**E.mail : [sreeleathers@sreeleathers.com](mailto:sreeleathers@sreeleathers.com)**

**Website : [www.sreeleathers.com](http://www.sreeleathers.com)**