

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### Chief Financial Officer

Sri Sujay Bhattacharjee

### Company Secretary & Compliance Officer

Sri Bijoy Kumar Roy

### Auditors

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

### Bankers

HDFC Bank Ltd., Chowringhee Branch  
Bank of India, Lindsay Street Branch  
State Bank of India, Strand Road Branch

### Regd. Office

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

### 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 24th Annual Report together with the Audited Accounts of the Company for the Year ended March 31, 2015.

### Financial Results:

| Particulars                                   | March 31, 2015 | March 31, 2014 |
|-----------------------------------------------|----------------|----------------|
| Receipt from Operations                       | 6676.23        | 5699.30        |
| Profit before depreciation & taxes            | 1359.39        | 1139.47        |
| Less: Depreciation                            | 112.72         | 89.90          |
| Profit Before Tax                             | 1246.67        | 1049.57        |
| Less: Provision for:                          |                |                |
| (a) Income Tax                                | 419.13         | 356.33         |
| (b) Deferred Tax                              | (16.80)        | (14.83)        |
| Profit after tax                              | 844.34         | 708.07         |
| Add: Balance brought forward from last year   | 2148.56        | 1514.07        |
| Profit available for appropriation            | 2992.90        | 2222.14        |
| Adjustment for Depreciation                   | 0.04           | -              |
| Proposed Dividend on Equity Shares            | -              | 62.89          |
| Provision for Tax on Proposed Equity Dividend | -              | 10.69          |
| Balance carried to Balance sheet              | 2992.86        | 2148.56        |

The company does not propose to transfer any amount to the General Reserves. An amount of Rs. 2992.86 Lacs is proposed to be retained in the statement of Profit & Loss.

### OPERATIONAL REVIEW:

Gross revenues increased to Rs. 6676.23 Lacs, a growth of around 17.14% against Rs. 5699.30 Lacs in the previous year. Profit before depreciation and taxation is Rs. 1359.39 lacs against Rs. 1139.47 Lacs in the previous year. After providing for depreciation and taxation of Rs. 112.72 Lacs & Rs. 402.33 Lacs respectively, the net profit of the Company for the year under review was placed at Rs. 844.34 Lacs as against Rs. 708.07 lacs in the previous year.

In spite of tough market conditions and very high levels of competition the company's turnover in terms of value has increased by 17.14% during the year under review and Profit after tax has increased by 19.24%.

### DIVIDEND:

Your Directors regret for not recommending 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 paid up equity capital as on March 31, 2015 was Rs.2,515.50 Lacs. The company has not issued any shares with differential voting rights nor granted stock options nor sweat equity during the year under review.

### FINANCE:

Cash and cash equivalents as at March 31, 2015 was Rs.539.93 lacs. The company continues to focus on judicious management of its working capital, Receivables and inventories. Other working capital parameters were kept under strict check through continuous monitoring.

### FIXED DEPOSITS:

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

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

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

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

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

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

## **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 & health in the form of Yoga. The contributions in this regard have been made to the registered trust which is undertaking these schemes.

The Annual Report on CSR activities is annexed herewith as: Annexure A

## **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 Facilities. 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 31.03.2015 and before the date of Report dated 29.05.2015 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:**

During the year under review, your Company enjoyed cordial relationship with employees at all levels.

## **DIRECTORS:**

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 for retirement by rotation in the last A.G.M. in September 2014. The Board now recommends the appointment of Sri Sumanta Dey as Non Executive Director directors.

Sri Tanmoy Shome, (DIN: 01286496) was appointed as non executive independent director of the company to hold office for a period of five consecutive years w.e.f 25.09.2014.

Sri Sumanta Biswas, (DIN 02243349) an independent director submitted his resignation to the Board on March 30, 2015 due to pre occupation. The same was accepted by the Board in its meeting held on March 30, 2015. The Board hereby places on record its sincere thanks and gratitude for the invaluable contribution made by him towards the growth and development of the company during his tenure as a director. The Board also on behalf of the members wishes him successful life ahead.

Sri Sujay Bhattacharjee (DIN 01759843) an independent director submitted his resignation to the Board on August 01, 2014 due to pre occupation w.e.f September 25, 2014. The same was accepted by the Board in its meeting held on August 08, 2014. The Board hereby places on record its sincere thanks and gratitude for the invaluable contribution made by him towards the growth and development of the company during his tenure as a director. The Board also on behalf of the members wishes him successful life ahead.

Sri Sushanto Dey, (DIN 00647894) a non executive director submitted his resignation to the Board on March 06, 2015 due to pre occupation. The same was accepted by the Board in its meeting held on March 30, 2015. The Board hereby places on record its sincere thanks and gratitude for the invaluable contribution made by him towards the growth and development of the company during his tenure as a director. The Board also on behalf of the members wishes him successful life ahead.

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 clause 49 of the Listing Agreement.

## **Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

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

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

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have 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 at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) The directors have 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 have 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.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## **RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

## **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 / behaviour 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 behaviour 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 vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

## **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 Board 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 2014-15 and hence no complaint is outstanding as on 31.03.2015 for redressal.

## **AUDITOR'S REPORT / SECRETARIAL AUDIT REPORT:**

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:**

The Auditors K.Rungta & Co., Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

## **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 is annexed herewith as "Annexure C".

## **BUSINESS RISK MANAGEMENT:**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

At present the company has not identified any element of risk which may threaten the existence of the company.

## **PARTICULARS OF EMPLOYEES:**

The information required under section 197(12) of the Companies Act, 2013 and the rules made thereunder, as amended has 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. 60.00 lacs per annum or employed for part of the year and were in receipt of remuneration of more than Rs. 5.00 lacs per month.

## **EMPLOYEE STOCK OPTION:**

The company has not given any employee stock option scheme during the financial year 2014- 15. 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> |
|------------------------------------------------------------------------------------------------|--------------|
| Satya Brata Dey (Managing Director)                                                            | 9.95: 1      |
| Sujay Bhattacharjee (Chief Financial Officer)                                                  | 1.98: 1      |
| Bijoy Kumar Roy (Company Secretary)                                                            | 2.07:1       |
| For this purpose, Sitting fees paid to the Directors have not been considered as remuneration. |              |

- b) The % increase in the remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:
- |                                     |         |
|-------------------------------------|---------|
| Satya Brata Dey (Managing Director) | 100.00% |
| Bijoy Kumar Roy (Company Secretary) | 28.42%  |
- c) The % increase in the median remuneration of employees in the financial year: 106%.
- d) The number of permanent employees on the rolls of company: 62.
- e) The explanation on the relationship between average increase in remuneration and company performance; The Company's PAT has grown from Rs. 708.07 lacs to Rs. 844.34 lacs an increase of 19.24% against which the average increase in remuneration is 106%, and this increase is aligned with the Compensation Policy of the company.
- f) Comparison of the remuneration of the Director and Key Managerial Personnel against the performance of the company: The increase in remuneration to the Directors, key managerial persons as well as employees of the company are based on a annual review mechanism which takes care of the individual performance of the employee as well as the overall growth of the company.
- g) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year.

| Particulars                        | March 31, 2015 | March 31, 2014 | % Change |
|------------------------------------|----------------|----------------|----------|
| Ordinary Shares                    |                |                |          |
| Market Capitalization (Rs. In Crs) | 462.85         | 690.50         | -32.96   |
| Price Earning Ratio                | 54.76          | 97.68          | -43.93   |

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

|                                                                                              |           |
|----------------------------------------------------------------------------------------------|-----------|
| Market Price as on March 31, 2015                                                            | Rs.184.00 |
| 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                        | 1840%     |

**Note:**

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

- i) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration: Average increase in remuneration is 106% for Employees other than Managerial Personnel & 100% for Sri Satyabrata Dey, Managing Director, 28.42% Sri Bijoy Kumar Roy, Company Secretary. Sri Sujay Bhattacharjee, Chief Financial Officer of the company has been inducted during the year hence his percent increase has not been given.
- j) The key parameters for any variable component of remuneration availed by the directors: There is no variable component for any director, key managerial personnel as well as any employee of the company during the financial year.
- k) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable.
- l) Affirmation that the remuneration is as per the remuneration policy of the company: The remuneration for Managing Director, KMP and rest of employees is as per the remuneration policy of the company.
- m) Comparison of each remuneration of the key managerial personnel against the performance of the company:

|                                          | Sri Satyabrata Dey,<br>Managing Director | Sri Sujay Bhattacharjee,<br>Chief Financial Officer | Sri Bijoy Kumar Roy, Com-<br>pany Secretary |
|------------------------------------------|------------------------------------------|-----------------------------------------------------|---------------------------------------------|
| Remuneration in Fiscal<br>2015 (in lacs) | 18.00                                    | 1.55                                                | 3.75                                        |
| Revenue (in lacs)                        | 6676.23                                  |                                                     |                                             |
| Remuneration as % of<br>revenue          | 0.27                                     | 0.02                                                | 0.06                                        |
| Profit / (loss) before Tax (in<br>lacs)  | 1246.67                                  |                                                     |                                             |
| Remuneration (as % of<br>PBT)            | 1.44                                     | 0.12                                                | 0.30                                        |

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

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexure, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

### **ACKNOWLEDGEMENTS:**

Your Company and its Directors wish to extend their sincere thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous co-operation and assistance.

For and on behalf of the  
Board of Directors

Kolkata  
May 29, 2015

Sumanta Dey  
Director

## Annexure A to Boards Report

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

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.  
CSR policy is stated herein below:

#### CSR Policy

(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, provide opportunity and financial assistance for the promotion of education in the form of Yoga, and provide medical aid to the needy.
- 2) Collaborate with likeminded bodies like Voluntary organizations, charitable trusts, governments and academic institutes in pursuit of our goals.
- 3) Interact regularly with stakeholders, review and publicly report our CSR initiatives.

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

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

#### 2. Composition of CSR committee

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

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

Average net profit: Rs. 9.30 Crores

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

The company is required to spend Rs.18.60 Lacs

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

- a) Total amount spent for the financial year: Rs. 4.00 lacs
- b) Amount unspent if any: Rs. 14.60 lacs
- c) Manner in which the amount spent during the financial year is detailed below:

| Sr. No. | Projects/ Activities                   | 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* (Rs. Lacs) |
|---------|----------------------------------------|--------|-----------|-------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------|
| 1       | Vivekananda Yoga Anusandhana Samsthana | Yoga   | Bangalore | 4.00                                                        | 4.00                                                | 4.00                                                    | 4.00                                                            |

\* Details of implementing agency: Vivekananda Yoga Anusandhana Samsthana.

Note: Since the current financial year is the first year whereby the Company was required to identify and utilize a sum of Rs. 18.60 lacs towards CSR activities. The company is identifying and evaluating the various projects as specified in the Companies' Act, 2013 and within that the best way to implement the same in order to maximize the benefit to the society. The company assures to utilize the required amount in the coming period.

**S. A & ASSOCIATES**

Company Secretaries

**Annexure - B to  
Board Report**

‘SWASIK’, 334/157 Jessore Road,  
SN-8, (Ground Floor), Kolkata - 700 089  
Ph: 2534 2445/9830591639 / 25343481  
Mobile: 98300 16001  
Email Id : cs.sa.associates@gmail.com

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31st March, 2015**

[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  
6, Totee Lane, P.S. Taltalla,  
Kolkata – 700 016

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

we have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) and other applicable law like Factory Act, 1948, The Payment of Gratuity Act, 1972 etc.

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

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

Place: Kolkata

Date: 29th May, 2015

**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

To  
The Members  
M/s. Sreeleathers Limited  
6, Tottee Lane, P.S. Taltalla,  
Kolkata – 700 016

‘SWASIK’, 334/157 Jessore Road,  
SN-8, (Ground Floor), Kolkata - 700 089  
Ph: 2534 2445/9830591639 / 25343481  
Mobile: 98300 16001  
Email Id : cs.sa.associates@gmail.com

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

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

Date : 29th May, 2015

Place : Kolkata

**ANNEXURE – B**

| SL NO. | Form No/ Return | FiledU/S | Doc Date | challan date | Challan deposit Date/ROC Filing Date | Whether filed within due date | If failed,late additional fee paid | Remark (ROC RECEIPT (NO/SRN NO)) |
|--------|-----------------|----------|----------|--------------|--------------------------------------|-------------------------------|------------------------------------|----------------------------------|
| 1      | FORM MGT 14     | 179(3)   | 14.08.14 | 29.09.14     | 29.09.14                             | NO                            | YES                                | C22781256                        |

Central Government

NIL

Regional Director

NIL

Other Authorities

NIL

Place: Kolkata

Date : 29th May, 2015

Annexure C to Boards Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2015

“Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.”

I REGISTRATION & OTHER DETAILS:

|     |                                                                             |                                                                                            |
|-----|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| i   | CIN                                                                         | L67190WB1991PLC050656                                                                      |
| ii  | Registration Date                                                           | 1/14/1991                                                                                  |
| iii | Name of the Company                                                         | M/S. SREELEATHERS LIMITED                                                                  |
| iv  | Category/Sub-category of the Company                                        | COMPANY LIMITED BY SHARES                                                                  |
| v   | Address of the Registered office<br>& contact details                       | 6, TOTEE LANE, KOLKATA- 700016<br>Contact - 033-2286 1508                                  |
| vi  | Whether listed company                                                      | YES                                                                                        |
| vii | Name , Address & contact details of the Registrar & Transfer Agent, if any. | NICHE TECHNOLOGIES PVT. LTD.<br>D-511 BAGREE MARKET<br>71, B.R.B. BASU ROAD KOLKATA-700001 |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| SL No | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|-------|----------------------------------------------|----------------------------------|------------------------------------|
| 1     | Footwear Wholesale                           | 51312                            | 12.78%                             |
| 2     | Footwear Retail                              | 52323                            | 66.76%                             |
| 3     | Leather Goods and Accessories                | 52324                            | 20.46%                             |

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

| SI No | Name & Address of the Company | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|-------|-------------------------------|---------|--------------------------------|------------------|--------------------|
| 1     |                               |         |                                |                  |                    |
| 2     |                               |         |                                |                  |                    |
| 3     |                               |         |                                |                  |                    |

**VI. 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 |                          |
| A. | PROMOTERS                                          |                                                 |          |          |                   |                                           |          |          |                   |                          |
| 1  | Indian                                             |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | a) Individual / HUF                                | 7187857                                         | 0        | 7187857  | 28.574            | 7187857                                   | 0        | 7187857  | 28.574            | 0                        |
|    | b) Central Government                              |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | c) State Government                                |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | d) Bodies Corporate                                | 8857820                                         | 0        | 8857820  | 35.213            | 8857820                                   | 0        | 8857820  | 35.213            | 0                        |
|    | e) Banks / Financial Institutions                  |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | f) Any Other                                       |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | Sub-total (A)(1)                                   | 16045677                                        | 0        | 16045677 | 63.787            | 16045677                                  | 0        | 16045677 | 63.787            | 0                        |
| 2  | Foreign                                            |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | a) NRIs - Individuals                              |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | b) Other - Individuals                             |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | c) Bodies Corporate                                |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | d) Banks / Financial Institutions                  |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | e) Any Other                                       |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | Sub-total (A)(2)                                   | 0                                               | 0        | 0        | 0                 | 0                                         | 0        | 0        | 0                 | 0                        |
|    | Total Shareholding of Promoter (A) = (A)(1)+(A)(2) | 16045677                                        | 0        | 16045677 | 63.787            | 16045677                                  | 0        | 16045677 | 63.787            | 0                        |
| B. | PUBLIC SHAREHOLDING                                |                                                 |          |          |                   |                                           |          |          |                   |                          |
| 1  | Institutions                                       |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | a) Mutual Funds                                    |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | b) Banks / Financial Institutions                  |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | c) Central Governments                             |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | d) State Governments                               |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | e) Venture Capital Funds                           |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | f) Insurance Companies                             |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | g) Foreign Institutional Investors (FII)           |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | h) Foreign Venture Capital Funds                   |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | i) Others (Specify)                                |                                                 |          |          |                   |                                           |          |          |                   |                          |
|    | Sub-total (B)(1)                                   | 0                                               | 0        | 0        | 0                 | 0                                         | 0        | 0        | 0                 | 0                        |

[illegible]

## B. Shareholding of Promoters

| Sl No. | Shareholder's Name               | "Shareholding at the beginning of the year" |                                  |                                                 | "Shareholding at the end of the year" |                                  |                                                 | "% of change in share holding 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                                               | 3239500                               | 12.878                           | 0                                               | 0                                              |
| 2      | JYOTSNA DEY                      | 500300                                      | 1.989                            | 0                                               | 500300                                | 1.989                            | 0                                               | 0                                              |
| 3      | KALPANA MITRA                    | 4750                                        | 0.019                            | 0                                               | 4750                                  | 0.019                            | 0                                               | 0                                              |
| 4      | PANCHAVATI TIE-UP PVT LTD        | 5124666                                     | 20.372                           | 0                                               | 5124666                               | 20.372                           | 0                                               | 0                                              |
| 5      | SATYA BRATA DEY                  | 4108527                                     | 16.333                           | 0                                               | 4108527                               | 16.333                           | 0                                               | 0                                              |
| 6      | SHEKAR DEY                       | 507740                                      | 2.018                            | 0                                               | 507740                                | 2.018                            | 0                                               | 0                                              |
| 7      | SHIPRA DEY                       | 4890                                        | 0.019                            | 0                                               | 4890                                  | 0.019                            | 0                                               | 0                                              |
| 8      | SHOELINE TRADING PRIVATE LIMITED | 493654                                      | 1.962                            | 0                                               | 493654                                | 1.962                            | 0                                               | 0                                              |
| 9      | SUMANTA DEY                      | 893200                                      | 3.551                            | 0                                               | 893200                                | 3.551                            | 0                                               | 0                                              |
| 10     | SUSHANTO DEY                     | 1168450                                     | 4.645                            | 0                                               | 1168450                               | 4.645                            | 0                                               | 0                                              |
|        | <b>TOTAL</b>                     | <b>16045677</b>                             | <b>63.787</b>                    | <b>0</b>                                        | <b>16045677</b>                       | <b>63.787</b>                    | <b>0</b>                                        | <b>0</b>                                       |

## C. Change in Promoter's Shareholding

| Sl No. |                                 | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|---------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|        |                                 | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1      | EASEL ADVERTISING PVT LTD       |                                           |                                  |                                         |                                  |
|        | a) At the Beginning of the Year | 3239500                                   | 12.878                           |                                         |                                  |
|        | b) Changes during the year      | [NO CHANGES DURING THE YEAR]              |                                  |                                         |                                  |
|        | c) At the End of the Year       |                                           |                                  | 3239500                                 | 12.878                           |
| 2      | JYOTSNA DEY                     |                                           |                                  |                                         |                                  |
|        | a) At the Beginning of the Year | 500300                                    | 1.989                            |                                         |                                  |
|        | b) Changes during the year      | [NO CHANGES DURING THE YEAR]              |                                  |                                         |                                  |
|        | c) At the End of the Year       |                                           |                                  | 500300                                  | 1.989                            |
| 3      | KALPANA MITRA                   |                                           |                                  |                                         |                                  |
|        | a) At the Beginning of the Year | 4750                                      | 0.019                            |                                         |                                  |
|        | b) Changes during the year      | [NO CHANGES DURING THE YEAR]              |                                  |                                         |                                  |
|        | c) At the End of the Year       |                                           |                                  | 4750                                    | 0.019                            |
| 4      | PANCHAVATI TIE-UP PVT LTD       |                                           |                                  |                                         |                                  |
|        | a) At the Beginning of the Year | 5124666                                   | 20.372                           |                                         |                                  |
|        | b) Changes during the year      | [NO CHANGES DURING THE YEAR]              |                                  |                                         |                                  |
|        | c) At the End of the Year       |                                           |                                  | 5124666                                 | 20.372                           |
| 5      | SATYA BRATA DEY                 |                                           |                                  |                                         |                                  |
|        | a) At the Beginning of the Year | 4108527                                   | 16.333                           |                                         |                                  |

|    |                                  |                              |               |                 |               |
|----|----------------------------------|------------------------------|---------------|-----------------|---------------|
|    | b) Changes during the year       | [NO CHANGES DURING THE YEAR] |               |                 |               |
|    | c) At the End of the Year        |                              |               | 4108527         | 16.333        |
| 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>TOTAL</b>                     | <b>16045677</b>              | <b>63.787</b> | <b>16045677</b> | <b>63.787</b> |

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

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|-------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                     | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1       | BLACKCHERRY MARKETING PVT. LTD.     |                                           |                                  |                                         |                                  |
|         | a) At the Beginning of the Year     | 321222                                    | 1.277                            |                                         |                                  |
|         | b) At the End of the Year           |                                           |                                  | 407556                                  | 1.62                             |
| 2       | DEVESH DEALMARK PRIVATE LIMITED     |                                           |                                  |                                         |                                  |
|         | a) At the Beginning of the Year     | 219250                                    | 0.872                            |                                         |                                  |
|         | b) At the End of the Year           |                                           |                                  | 234976                                  | 0.934                            |
| 3       | GANADHI VANIJYA PVT. LTD.           |                                           |                                  |                                         |                                  |
|         | a) At the Beginning of the Year     | 319200                                    | 1.269                            |                                         |                                  |
|         | b) At the End of the Year           |                                           |                                  | 319200                                  | 1.269                            |
| 4       | GOODHOPE TIE-UP PRIVATE LIMITED     |                                           |                                  |                                         |                                  |
|         | a) At the Beginning of the Year     | 155555                                    | 0.618                            |                                         |                                  |
|         | b) At the End of the Year           |                                           |                                  | 155555                                  | 0.618                            |
| 5       | INTELLECT STOCK BROKING LIMITED     |                                           |                                  |                                         |                                  |

|    |                                        |                |              |                |               |
|----|----------------------------------------|----------------|--------------|----------------|---------------|
|    | a) At the Beginning of the Year        | 38595          | 0.153        |                |               |
|    | b) At the End of the Year              |                |              | 291647         | 1.159         |
| 6  | MANGALVANI TRADELINK PRIVATE LIMITED   |                |              |                |               |
|    | a) At the Beginning of the Year        | 159851         | 0.635        |                |               |
|    | b) At the End of the Year              |                |              | 194141         | 0.772         |
| 7  | NEWZONE VANIJYA PVT. LTD               |                |              |                |               |
|    | a) At the Beginning of the Year        | 244135         | 0.971        |                |               |
|    | b) At the End of the Year              |                |              | 251935         | 1.002         |
| 8  | PANCHTANTRA TARDELINK PRIVATE LIMITED  |                |              |                |               |
|    | a) At the Beginning of the Year        | 62775          | 0.25         |                |               |
|    | b) At the End of the Year              |                |              | 287435         | 1.143         |
| 9  | RATANGIRI VINTRADE PRIVATE LIMITED     |                |              |                |               |
|    | a) At the Beginning of the Year        | 185900         | 0.739        |                |               |
|    | b) At the End of the Year              |                |              | 185900         | 0.739         |
| 10 | SARITA KATARUKA                        |                |              |                |               |
|    | a) At the Beginning of the Year        | 188744         | 0.75         |                |               |
|    | b) At the End of the Year              |                |              | 0              | 0             |
| 11 | SHIVRATRI TECHNOLOGIES PRIVATE LIMITED |                |              |                |               |
|    | a) At the Beginning of the Year        | 0              | 0            |                |               |
|    | b) At the End of the Year              |                |              | 219588         | 0.873         |
| 12 | SIDHSILVER INFOTECH PRIVATE LIMITED    |                |              |                |               |
|    | a) At the Beginning of the Year        | 0              | 0            |                |               |
|    | b) At the End of the Year              |                |              | 225503         | 0.896         |
| 13 | SUBHRASHI PROPERTIES PRIVATE LIMITED   |                |              |                |               |
|    | a) At the Beginning of the Year        | 0              | 0            |                |               |
|    | b) At the End of the Year              |                |              | 227547         | 0.905         |
| 14 | SWABHUMI DEALERS PVT. LTD.             |                |              |                |               |
|    | a) At the Beginning of the Year        | 248847         | 0.989        |                |               |
|    | b) At the End of the Year              |                |              | 304937         | 1.212         |
| 15 | UPADAN COMMODITIES PRIVATE LIMITED     |                |              |                |               |
|    | a) At the Beginning of the Year        | 146007         | 0.58         |                |               |
|    | b) At the End of the Year              |                |              | 0              | 0             |
|    | <b>TOTAL</b>                           | <b>2290081</b> | <b>9.104</b> | <b>3305920</b> | <b>13.142</b> |

## E. Shareholding of Directors & KMP

| Sl. No |                                                                                                                                                                       | Shareholding at the end 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 |
|        | For Each of the Directors & KMP                                                                                                                                       |                                     |                                  |                                         |                                  |
|        | At the beginning of the year                                                                                                                                          | 6170177                             | 24.53%                           | 5001727                                 | 19.88%                           |
|        | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc) | 3/30/2015                           | 4.64%                            | 0                                       | 0.00%                            |
|        | Resignation                                                                                                                                                           |                                     |                                  |                                         |                                  |
|        | 1168450 shares                                                                                                                                                        |                                     |                                  |                                         |                                  |
|        | At the end of the year                                                                                                                                                | 5001727                             | 19.88%                           | 5001727                                 | 19.88%                           |

## V. INDEBTEDNESS

| Indebtedness of the Company including interest outstanding/accrued but not due for payment |                                     |                      |          |                       |
|--------------------------------------------------------------------------------------------|-------------------------------------|----------------------|----------|-----------------------|
|                                                                                            | Secured Loans<br>excluding deposits | Unsecured<br>Loans   | Deposits | Total<br>Indebtedness |
| Indebtness at the beginning of the financial year                                          |                                     |                      |          |                       |
| i) Principal Amount                                                                        | 133,015.59                          | 107,500,000.00       | -        | 107,633,015.59        |
| ii) Interest due but not paid                                                              | -                                   | -                    | -        | -                     |
| iii) Interest accrued but not due                                                          | -                                   | 8,107,661.00         | -        | 8,107,661.00          |
| Total (i+ii+iii)                                                                           | 133,015.59                          | 115,607,661.00       | -        | 115,740,676.59        |
| Change in Indebtedness during the financial year                                           |                                     |                      |          |                       |
| Additions                                                                                  | -                                   | 40,500,000.00        | -        | 40,500,000.00         |
| Reduction                                                                                  | 41,392.29                           | 122,500,000.00       | -        | 122,541,392.29        |
| Net Change                                                                                 | -41,392.29                          | -82,000,000.00       | -        | -82,041,392.29        |
| Indebtedness at the end of the financial year                                              |                                     |                      |          |                       |
| i) Principal Amount                                                                        | 91,623.30                           | 25,500,000.00        | -        | 25,591,623.30         |
| ii) Interest due but not paid                                                              | -                                   | -                    | -        | -                     |
| iii) Interest accrued but not due                                                          | -                                   | 2,760,682.00         | -        | 2,760,682.00          |
| <b>Total (i+ii+iii)</b>                                                                    | <b>91,623.30</b>                    | <b>28,260,682.00</b> | <b>-</b> | <b>28,352,305.30</b>  |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl.No | Particulars of Remuneration                                                      | Name of the MD/WTD/Manager | Total Amount    |                   |
|-------|----------------------------------------------------------------------------------|----------------------------|-----------------|-------------------|
| 1     | Gross salary                                                                     |                            |                 |                   |
|       | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | "MANAGING DIRECTOR"        | SATYA BRATA DEY | 1800000 PER ANNUM |
|       | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961                   |                            |                 |                   |
|       | (c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961   |                            |                 |                   |
| 2     | Stock option                                                                     |                            |                 |                   |
| 3     | Sweat Equity                                                                     |                            |                 |                   |
| 4     | Commission                                                                       |                            |                 |                   |
|       | as % of profit                                                                   |                            |                 |                   |
|       | others (specify)                                                                 |                            |                 |                   |
| 5     | Others, please specify                                                           |                            |                 |                   |
|       | Total (A)                                                                        |                            |                 |                   |
|       | Ceiling as per the Act                                                           |                            |                 |                   |

B. Remuneration to other directors:

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

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

| Sl. No. | Particulars of Remuneration                                                          |                     | Key Managerial Personnel |                   |     |         | Total   |
|---------|--------------------------------------------------------------------------------------|---------------------|--------------------------|-------------------|-----|---------|---------|
| 1       | Gross Salary                                                                         |                     | CEO                      | Company Secretary | CFO | Total   |         |
|         | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | "COMPANY SECRETARY" | BIJOY KUMAR ROY          |                   |     |         | 390000  |
|         | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                       |                     |                          |                   |     |         |         |
|         | (c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961       |                     |                          |                   |     |         |         |
| 2       | Stock Option                                                                         |                     |                          |                   |     |         |         |
| 3       | Sweat Equity                                                                         |                     |                          |                   |     |         |         |
| 4       | Commission                                                                           |                     |                          |                   |     |         |         |
|         | as % of profit                                                                       |                     |                          |                   |     |         |         |
|         | others, specify                                                                      |                     |                          |                   |     |         |         |
| 5       | Others, please specify                                                               |                     |                          |                   |     |         |         |
|         |                                                                                      |                     |                          |                   |     |         |         |
|         | Total                                                                                |                     |                          |                   |     | 390,000 | 390,000 |

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| 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                      |                              |                   |                                                        |                           |                                   |
| Punishment                   |                              |                   |                                                        |                           |                                   |
| Compounding                  |                              |                   |                                                        |                           |                                   |
|                              |                              |                   |                                                        |                           |                                   |
| B. DIRECTORS                 |                              |                   |                                                        |                           |                                   |
|                              |                              |                   |                                                        |                           |                                   |
| Penalty                      |                              |                   |                                                        |                           |                                   |
| Punishment                   |                              |                   |                                                        |                           |                                   |
| Compounding                  |                              |                   |                                                        |                           |                                   |
|                              |                              |                   |                                                        |                           |                                   |
|                              |                              |                   |                                                        |                           |                                   |
| C. OTHER OFFICERS IN DEFAULT |                              |                   |                                                        |                           |                                   |
|                              |                              |                   |                                                        |                           |                                   |
| Penalty                      |                              |                   |                                                        |                           |                                   |
| Punishment                   |                              |                   |                                                        |                           |                                   |
| Compounding                  |                              |                   |                                                        |                           |                                   |

**DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT**

In terms of the requirements of Clause 49 of the Listing Agreement, 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, 2015.

Kolkata  
May 29, 2015

For **Sreeleathers Limited**  
Sumanta Dey  
Director

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

The Board of Directors  
M/s. Sreeleathers Limited

We have reviewed the financial statements and the cash flow statement of Sreeleathers Limited for the financial year 2014-15 and certify that:

- a) These statements to the best of our knowledge and belief:
  - 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 Directors and Senior Management Personnel 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.
- e) To the best of our knowledge and belief, there are no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

Sumanta Dey  
Director

Sujay Bhattacharjee  
Chief Financial Officer

Kolkata  
May 29, 2015

## AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

### The Members of Sreeleathers Limited

We have examined the compliance of conditions of Corporate Governance by Sreeleathers Limited for the year ended March 31, 2015 stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company to ensure Compliance with the condition of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with all the mandatory conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

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.

Kolkata, May 29, 2015

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

K.L.Rungta  
Proprietor  
Membership No: 073418

## CORPORATE GOVERNANCE:

### 1. PHILOSOPHY:

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance. Transparency, integrity, professionalism and accountability - based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholders expectations. Your company has generally fulfilled the existing guidelines under clause 49 of the listing agreement.

### 2. BOARD OF DIRECTORS:

a) Composition, Category of Directors and their other directorship as on March 31, 2015:

| Name of Director            | DIN      | Category               | No. of other Directorships | Committees            |          |
|-----------------------------|----------|------------------------|----------------------------|-----------------------|----------|
|                             |          |                        |                            | Position / Membership | Chairman |
| Shri Satyabrata Dey         | 00569965 | Managing Director      | 1                          | -                     | -        |
| Shri Sumanta Dey            | 00647680 | Non Executive Director | -                          | -                     | -        |
| Smt. Sadhana Adhikary       | 02974882 | Independent Director   | -                          | -                     | -        |
| Shri Tanmoy Shome #         | 01286496 | Independent Director   | -                          | -                     | -        |
| Shri Sushanto Dey*          | 00647894 | Non Executive Director | -                          | -                     | -        |
| Shri Sumanta Biswas**       | 02243349 | Independent Director   | -                          | -                     | -        |
| Shri Sujay Bhattacharjee*** | 01759843 | Independent Director   | -                          | -                     | -        |

# Appointed as Independent Director w.e.f 25.09.2014

\* Resigned w.e.f 06.03.2015

\*\* Resigned w.e.f 30.03.2015

\*\*\* Resigned w.e.f 25.09.2014

#### Note

- The above numbers exclude Directorship in Private, Foreign Companies and Companies which are granted License U/s 8 of the Companies Act, 2013.
- Chairmanship / Membership of Committee only include Audit Committee and Share Holder Grievance Committee in Indian Public Companies other than Sreeleathers Limited.

### b) Number of Board Meetings:

During the year ended March 31, 2015, 10 (ten) Board Meetings were held on May 30, August 08, August 14, September 01, October 08, November 14, 2014, & January 16, February 14, March 02, March 30, 2015.

**c) Directors' attendance record:**

| Name of Director            | No. of Board Meetings Attended | Attendance at last AGM |
|-----------------------------|--------------------------------|------------------------|
| Shri Satyabrata Dey         | 09                             | Yes                    |
| Shri Sumanta Dey            | 10                             | Yes                    |
| Smt. Sadhana Adhikary       | 10                             | Yes                    |
| Shri Tanmoy Shome #         | 06                             | Yes                    |
| Shri Sushanto Dey*          | 09                             | Yes                    |
| Shri Sumanta Biswas**       | 09                             | Yes                    |
| Shri Sujay Bhattacharjee*** | 04                             | Yes                    |

# Appointed as Independent Director w.e.f 25.09.2014

\* Resigned w.e.f 06.03.2015

\*\* Resigned w.e.f 30.03.2015

\*\*\* Resigned w.e.f 25.09.2014

### 3. COMMITTEES OF THE BOARD

**a) AUDIT COMMITTEE:**

As a measure of good Corporate Governance and to provide assistance to the Board of Directors, to meet the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement and in fulfilling the Boards overall responsibilities, an Audit Committee is continuously functioning since its formation. The Audit Committee inter-alia has all the powers and played its role in terms of the Clause 49 of the Listing Agreement.

i) Composition of the Audit Committee

The Audit Committee comprises of three Non-Executive Independent Directors, viz:

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

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 2015 i.e. on May 30 2014, 14th August 2014, 14th November 2014 and 14th February 2015.

There was a proper quorum of members in all the convened meetings.

| Name of the Member          | Meeting attendance |
|-----------------------------|--------------------|
| Mr. Tanmoy Shome (Chairman) | 2                  |
| 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 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, 2015. The attendance record of the members at the meeting were as follows

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

The details of remuneration for the year ended March 31, 2015 to the Executive Directors are as follows:

| Name            | Designation       | Remuneration |
|-----------------|-------------------|--------------|
| Satya Brata Dey | Managing Director | 18.00 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;

CEO & Managing Director - Criteria for selection / appointment

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

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

Remuneration for the CEO & Managing Director

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

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

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

Remuneration Policy for the Senior Management Employees

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

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

## c) Stakeholder relationship Committee:

The board of directors had earlier constituted a shareholder / investor grievance committee pursuant to clause 49 of the listing agreement with the stock exchanges, under the chairmanship of an independent director of the company. In compliance with the requirement of sec 178 of the companies act, 2013, rules framed there under and amended clause 49 of the listing agreement with the stock exchanges, the said committee has been renamed as Stakeholders relationship committee w.e.f. May 30th, 2014. The Shareholders relationship committee also acts as Share Transfer Committee.

The attendance at the Shareholders/Investors Grievance Committee is given below

| Name of The Member       | No. of Meeting Held | No. of Meeting Attended |
|--------------------------|---------------------|-------------------------|
| Sumanta Dey , Chairman   | 04                  | 04                      |
| Tanmoy Shome, Member     | 04                  | 02                      |
| Sadhana Adhikary, Member | 04                  | 04                      |

During the year 2014-15, no complaints were received from shareholders and investors.

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

As required under section 135 of the Companies Act, 2013 the company has formed a CSR committee consisting of the following members from March 29, 2014.

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

The committee met 2 times during the financial year ended March 31, 2015. The attendance record of the members at the meeting were as follows:

| Name of The Member | Designation | No Meetings of 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, 2015. The attendance record of the members at the meeting were as follows

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

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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' 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.

- f) The company has formed a business risk evaluation/management committee consisting of the following members.

| Name of The Member                      | Designation | No Meetings<br>of Attended |
|-----------------------------------------|-------------|----------------------------|
| Satyabrata Dey –Director                | Chairman    | 1                          |
| Sadhana Adhikary - Independent Director | Member      | 1                          |
| Tanmoy Shome – Independent Director     | Member      | 1                          |
| Sujay Bhattacharjee - CFO               | Member      | 1                          |

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprise of

1. Oversight of risk management performed by the executive management;
2. Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
3. Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a predefined cycle;
4. Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
5. Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

#### INDEPENDENT DIRECTORS MEETING:

During the year under review, the Independent Directors met on January 07, 2015, 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.

#### Management discussion and analysis report forms part of this Annual Report

#### 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. "Arthik Lipi" and one English news paper viz. "The Echo of India". 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 Listing Agreement, the complaints and grievances of the investors can be mailed at [sreeleathers@sreeleathers.com](mailto:sreeleathers@sreeleathers.com) to receive.

##### b. Share Transfers Agents:

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

**c. Share Transfer System:**

All physical share transfers are affected 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                                                     |
|----------------|------------|---------|-----------------------------------------------------------|
| 2013-14        | 25-09-2014 | 10.30am | Jamuna Banquets, 31/2B, Marquis Street, Kolkata – 700016. |
| 2012-13        | 30-09-2013 | 09.00am | 6/1, Sudder Street, Kolkata – 700016.                     |
| 2011-12        | 29-09-2012 | 11.30am | 6, Tottee Lane, Kolkata – 700016.                         |

**e. Postal Ballot:**

For the year ended March 31, 2015 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

**5. Additional shareholders information :**

**a) Annual General Meeting Date :** September 30, 2015

**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 2015-16, the tentative dates for declaration of Quarterly unaudited results will be by August 14, 2015, November 15, 2015, February 15, 2016 and May 30, 2016.

**c) Book Closure:**

The register of members and share transfer books of the company shall remain closed from September 24th, 2015 to September 30th, 2015 (both days inclusive).

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

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

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

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

**NSDL: INE099F01013**

**CDSL: INE099F01013**

**e) Stock data:**

High/Low of Market price of Company's equity shares traded on the Bombay Stock Exchange Ltd. and National Stock Exchange Ltd. during the financial year ended on March 31, 2015 was as follows:

| Month    | BSE        |           |        | SENSEX     |           | NSE        |           |        | NIFTY      |           |
|----------|------------|-----------|--------|------------|-----------|------------|-----------|--------|------------|-----------|
|          | High (Rs.) | Low (Rs.) | Volume | High (Rs.) | Low (Rs.) | High (Rs.) | Low (Rs.) | Volume | High (Rs.) | Low (Rs.) |
| April 14 | 282.00     | 230.00    | 32570  | 22939      | 22198     | 328.90     | 229.00    | 21000  | 6870       | 6650      |
| May 14   | 298.90     | 243.00    | 1663   | 25376      | 22277     | 273.00     | 235.20    | 52093  | 7504       | 6639      |
| June 14  | 299.00     | 249.95    | 21033  | 25725      | 24720     | 271.90     | 240.00    | 36036  | 7700       | 7240      |
| July 14  | 280.00     | 250.20    | 40279  | 26300      | 24892     | 309.20     | 250.00    | 73573  | 7841       | 7422      |
| Aug 14   | 265.00     | 255.00    | 8437   | 26674      | 25233     | 317.00     | 251.00    | 24257  | 7968       | 7540      |
| Sept 14  | 265.00     | 255.00    | 6590   | 27355      | 26220     | 272.00     | 252.00    | 116606 | 8180       | 7842      |
| Oct 14   | 265.00     | 253.00    | 4558   | 27894      | 25911     | 268.00     | 253.00    | 36415  | 8331       | 7724      |
| Nov 14   | 291.00     | 215.00    | 53373  | 28822      | 27740     | 267.00     | 253.00    | 51001  | 8617       | 8290      |
| Dec 14   | 265.00     | 213.00    | 39522  | 28810      | 26469     | 265.00     | 251.00    | 27391  | 8627       | 7961      |
| Jan 15   | 260.00     | 228.00    | 19663  | 29844      | 26776     | 264.00     | 215.00    | 25169  | 8997       | 8065      |
| Feb 15   | 217.10     | 180.05    | 1083   | 29560      | 28044     | 253.00     | 209.00    | 18508  | 8941       | 8470      |
| Mar 15   | 184.00     | 179.60    | 5014   | 30024      | 27248     | 240.00     | 183.80    | 28229  | 9119       | 8269      |

**h) Distribution of shareholding as on March 31, 2015.**

| Size of Holdings | No. of Share Holders | Percentage % | No. of Shares | Percentage % |
|------------------|----------------------|--------------|---------------|--------------|
| Up to 500        | 853                  | 79.50        | 23562         | 0.09         |
| 501 to 1000      | 9                    | 0.84         | 8700          | 0.04         |
| 1001 to 5000     | 40                   | 3.73         | 125688        | 0.50         |
| 5001 to 10000    | 27                   | 2.52         | 223051        | 0.89         |
| 10001 to 50000   | 86                   | 8.01         | 2108749       | 8.38         |
| 50001 to 100000  | 23                   | 2.14         | 1571922       | 6.25         |
| 100001 to above  | 35                   | 3.26         | 21093340      | 83.85        |
| Total            | 1073                 | 100.00       | 25155012      | 100.00       |

**i) Share Holding Pattern:**

| Sr. No. | Category                              | No. of Shares | % of Share Holding |
|---------|---------------------------------------|---------------|--------------------|
| 1.      | Promoters (Individual/Body Corporate) | 16045677      | 63.79              |
| 2.      | Mutual Funds/ UTI / Banks             | -             | -                  |
| 3.      | Private Corporate Bodies              | 6039116       | 24.00              |
| 4.      | Resident Individuals                  | 2711548       | 10.78              |
| 5.      | NRIs / FIIs                           | -             | -                  |
| 6.      | Others – Clearing Members             | 358671        | 1.43               |
|         | Total                                 | 25155012      | 100.00             |

j) Shares held in physical and dematerialized form:

As on March 31, 2015, 2,31,93,079 shares (92.20%) were held in dematerialized form and the rest in physical form.

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

NIL.

l) **Address for correspondence**

**Registered office:**

6, Tottee Lane,

Kolkata – 700016,

Telephone: 033- 22861571,

E-Mail: Sreeleathers@sreeleathers.com,

Website: www.sreeleathers.com

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

**Share Transfer Agent:**

Niche Technologies Private Limited

D-511, Bagree Market,

71, B.R.B Basu Road

Kolkata – 700001.

m) **Shares held in electronic form**

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

**6. Disclosures:**

- a. **Related Party Transaction:** During the year the company has framed a policy on related party transaction setting out the manner of dealing with transactions between the company and related parties based on the provision of the Act and listing agreement requirements. The policy is also available on the website of the company **www.sreeleathers.com**. 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 2014 – 15.

- 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 nor any strictures issued on the Company by the Stock Exchanges, SEBI or any other statutory authority relating to the above.
- c. The company has adopted a Whistle Blower Policy and constituted a Vigil Mechanism Committee under the Chairmanship of the Chairman of the Audit Committee. There has been no incidence reported to the Vigil Mechanism Committee or the Chairman of the Audit Committee during the period under review.
- d. Quarterly Reports on compliance of Corporate Governance in the prescribed format have been submitted to the stock exchanges where the shares of the company are listed within the stipulated time. The company has generally complied with all mandatory requirements to the extent applicable to the company.
- e. Financial Statements of the company have been prepared in accordance with the Accounting Standards issued by The Institute of Chartered Accountants of India, so as to represent a true and fair view of the state of affairs of the company.
- f. The Management confirms that the financial statements have been prepared to comply in all material respects with the accounting standards notified under the Companies Act, 2013.

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

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

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2015.

### **(A) INDUSTRY STRUCTURE AND DEVELOPMENT**

The Indian domestic footwear industry is estimated to be worth Rs.20 - Rs.25 Thousand Crores, which is mostly dominated by unorganized players. The organized footwear sector accounts for only 30% - 35% of the total footwear industry in India. Over the past few years, the organized footwear sector has witnessed a good growth as the players in the organized footwear markets are penetrating into tier-3 and tier-4 cities in the Country. In the organized sector, approx. 10-12 players jointly control majority of the market share. Over the past few years, in view of a good growth in organizing retailing in India, the overseas footwear manufactures have set their footprints in India through joint venture and other means of collaboration. This has increased competition amongst the existing players of the organized Footwear Industry in India.

India is the second largest global producer of footwear in the World, next only to China. India produces more than 2.5 Billion pairs of footwear per annum, which represents 12% of the global production of approx.16 Billion pairs of footwear every year. The per capita consumption of footwear in India is estimated to be 2 - 3 pairs, whereas such consumption in the Western Countries, like USA and UK is approx. 5 - 6 pairs. India has a good homogeneous potential due to rapid change in lifestyle, increase in disposable income of middle-class people and continuous growth in number of working women. According to an ASSOCHAM study, the Indian Footwear Industry has been growing at 15% CAGR and the said growth momentum is expected to sustain in the near future.

India exports less than 10% of its total footwear production per year, which means approx. 90% of its footwear production is utilized to meet domestic demand every year. China continues to be the leading country in the World as an exporter. USA and UK are the main contributors to the global footwear import from China and other countries.

The footwear industry across the World has felt the need to adopt eco-friendly practices while improving production methods in order to reduce carbon footprint it leaves behind. Many players in the industry have started using recycled materials in production of eco-friendly footwear.

## **(B) OPPORTUNITIES, THREATS AND CONCERNS.**

Indian economy is poised to witness a GDP growth at 6.5% - 7.5% and has the potential to become the third largest economy in the world, after USA and China. Riding on this opportunity and considering that the European Union is facing its own challenges to keep at pace with the growth of World economy, the Indian Footwear Industry is expected to record a good growth, going forward. A large middle class population which includes the World's largest population of youth at a median age of below 35 years and availability of raw materials, skilled labour and improved technology shall help the footwear Industry to maintain its growth rate of approx. 15% CAGR in the second half of this decade. A rapid increase in urbanization and organized retailing also provide good opportunities to the Indian Footwear Industry to improve its business performance year-on-year.

However, the overall industrial growth in India remains at a very moderate rate. The ever increasing list of foreign players keeping their foothold in India is also posing a threat to the local players who find it difficult to keep pace of their growth in an acutely competitive environment. High rate of inflation which leads to increase in cost of raw materials, non availability of skilled labourers and regulatory environment also considered as challenges for the footwear industry in India. The demand for designer, trendy and comfortable footwear in India is constantly on a rise and the same needs to be made available to them at an affordable price. Catering to the ever-changing need of the Indian customers requires constant improvement of the products on offer.

Your Company will exploit its leadership position in the organized footwear industry and take appropriate steps to overcome the challenges in the footwear industry to achieve its objectives.

## **(C) OUT LOOK**

The outlook of Indian Footwear Industry is buoyant. Considering the population of approx. 1.3 Billion people and low per capita consumption of footwear, there is a huge potential of the industry to achieve volume growth. Presently, many small towns and rural areas are being catered by unorganized footwear manufacturers and the need of penetration in these markets by organized players is expected to witness consolidation in the Industry. Factors such as low production cost, abundant availability of raw material, ever-evolving retail ecosystem, buying patterns and a huge consumption market set the Indian Footwear Industry apart. The Indian Footwear Industry has changed dramatically in the past few years and the Country has become a business destination for many players from across the globe. As a consequence, consumer demand have widened with the variety of choices available in each category

On-line business in Retail Industry shall play a pivotal role in its growth and penetration in the newer markets. Very frequent changes in technology, easy availability of information at the click of a button and sharing of information at social media sites shall be key areas of growth through on-line business. Your Company is aware of the Industry it belongs and is taking appropriate steps to leverage its position to achieve good growth in terms of volumes and profitability.

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

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

## **(E) 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.

## **(F) 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 Vivekananda Yoga Anusandhana Samsthana. Also, the Corporate Social Responsibility committee formed by the Board is continuously looking forward for projects in which your company can make a contribution.

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

As on March 31, 2015 the company had 62 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.

### **Cautionary Statement**

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

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

We have audited the accompanying financial statements of Sreeleathers Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ( "the Act")with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the accounting standards specified under section 133 of the act, read with rule 7 of the companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors Responsibility**

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

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

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

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

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

**Opinion**

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

- (i) in the case of the Balance sheet, of the state of affairs of the company as at March 31, 2015;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, 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 other matters included in the auditor's report and to best of our information and according to the explanation given to us.
    - 1) The company has disclosed the impact of pending litigation on its financial position in its financial statement.
    - 2) The company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
    - 3) There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company.

### For K.Rungta & Co.

Chartered Accountants

Firm's registration number: 321068E

### K.L.Rungta

Proprietor

Membership number: 073418

Kolkata

May 29, 2015

## ANNEXURE TO AUDITOR'S REPORT Companies (Audit Report) Order, 2015

Statement referred to our report of even date to the Members of Sreeleathers Limited on the financial statements for the year ended 31st March, 2015

- 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 interval and no material discrepancies have been noticed by the management of the company, on such verification.
- ii) (a) The Inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion the procedure of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company and nature of its business.  
(c) On the basis of our examination of inventory records, in our opinion, the company is maintaining proper record of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) The company has not granted loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of this sub clause (b) & (c) are not applicable.
- iv) In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regards to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- v) In our opinion and according to information and explanation given to us, the company has not accepted deposits under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- vi) The Central Government has not prescribed for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for the company.
- vii) (a) The company, as per information given, is generally regular in depositing undisputed statutory dues including provident fund, employees 'state insurance, income tax, sales tax, service tax, duty of Customs, Duty of Excise, Value Added Tax, cess and any other statutory dues applicable to it with appropriate authorities.  
(b) According to the information and explanation given to us, there are no dues of income tax, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

The disputed amounts that have not been deposited in respect of sales tax are as under:

| Name of the Statute         | Nature of Dues       | Financial Year | Amount in Rs. |
|-----------------------------|----------------------|----------------|---------------|
| Central Sales Tax Act, 2003 | Demand for sales tax | 2008 - 09      | 30,007.00     |
| Central Sales Tax Act, 2003 | Demand for sales tax | 2010 - 11      | 5,858.00      |

- (c) No amount is required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, and rules made hereunder.
- viii) The company does not have accumulated losses as at the 31st March 2015 and has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- ix) 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.
- x) As per the information and explanation given and according to records provided to us, the company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- xi) As per the information and explanation given and records provided to us the company has no term loans.
- xii) During the course of our audit, we have not noticed any fraud on or by the company and no fraud was reported during the year.

For K. RUNGTA & CO  
Chartered Accountants,  
Firm Registration No. 321068E

Place: Kolkata

Date: 29th May, 2015

(K. L. RUNGTA)  
Proprietor  
Membership Number 73418

## Balance Sheet as at 31st March, 2015

| PARTICULARS                                                             | Note           | As at<br>31st March 2015 | As at<br>31st March 2014 |
|-------------------------------------------------------------------------|----------------|--------------------------|--------------------------|
| <b>A EQUITIES &amp; LIABILITIES</b>                                     |                |                          |                          |
| 1 Share holders Funds                                                   |                |                          |                          |
| (a) Share Capital                                                       | 2.1            | 251,550,120.00           | 251,550,120.00           |
| (b) Reserves & Surplus                                                  | 2.2            | 1,707,027,880.08         | 1,622,598,718.12         |
| <b>Total - Share Holders Fund</b>                                       |                | <b>1,958,578,000.08</b>  | <b>1,874,148,838.12</b>  |
| 2 Non Current Liabilities                                               |                |                          |                          |
| (a) Long term borrowings                                                | 2.3            | 44,396.00                | 91,619.59                |
| (b) Other long term liabilities                                         | 2.4            | 15,306,380.70            | 15,306,380.70            |
| <b>Total - Non Current Liabilities</b>                                  |                | <b>15,350,776.70</b>     | <b>15,398,000.29</b>     |
| 3 Current Liabilities                                                   |                |                          |                          |
| (a) Trade Payables                                                      | 2.5            | 18,759,697.59            | 28,292,667.71            |
| (b) Other current liabilities                                           | 2.6            | 32,847,189.82            | 126,639,164.74           |
| (c) Short Term Provisions                                               | 2.7            | 42,547,514.00            | 36,761,270.00            |
| Total - Current Liabilities                                             |                | 94,154,401.41            | 191,693,102.45           |
| <b>TOTAL - Equities &amp; Liabilities</b>                               |                | <b>2,068,083,178.19</b>  | <b>2,081,239,940.86</b>  |
| <b>B ASSETS</b>                                                         |                |                          |                          |
| 1 Non-Current Assets                                                    |                |                          |                          |
| (a) Fixed Assets                                                        | 2.8            |                          |                          |
| i. Tangible asstes                                                      |                | 1,604,750,378.08         | 1,570,592,144.30         |
| ii. Capital work-in-progress                                            |                | -                        | 44,696,669.00            |
| Total - Fixed Assets                                                    |                | 1,604,750,378.08         | 1,615,288,813.30         |
| (b) Non- Current Investments                                            | 2.9            | 900,000.00               | 1,145,000.00             |
| (c) Deffered Tax Assets (Net)                                           | 2.28           | 6,110,822.29             | 4,430,633.91             |
| (d) Other non-current assets                                            | 2.10           | 3,925,329.55             | 3,909,229.13             |
| <b>Total - Non Current Assets</b>                                       |                | <b>1,615,686,529.92</b>  | <b>1,624,773,676.34</b>  |
| 2 Current Assets                                                        |                |                          |                          |
| (a) Current Investments                                                 | 2.11           | 287,629,849.03           | 298,552,085.21           |
| (b) Inventories                                                         | 2.12           | 66,410,466.99            | 44,357,507.95            |
| (c) Trade receivables                                                   | 2.13           | 5,881,725.76             | 23,176,614.50            |
| (d) Cash & cash equivalents                                             | 2.14           | 53,993,465.20            | 54,308,058.98            |
| (e) Short term loans & advances                                         | 2.15           | 36,339,343.86            | 32,055,887.41            |
| (f) Other current assets                                                | 2.16           | 2,141,797.43             | 4,016,110.47             |
| Total - Current Assets                                                  |                | 452,396,648.27           | 456,466,264.52           |
| <b>TOTAL - Assets</b>                                                   |                | <b>2,068,083,178.19</b>  | <b>2,081,239,940.86</b>  |
| Significant Accounting Policies & other Explanatory Notes & Information | 1, 2.24 - 2.33 |                          |                          |

As per our report of even date attached

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

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

**SUJAY BHATTACHERJEE**  
(Chief Financial Officer)

**K. L. Rungta**  
(Proprietor)  
Membership No. 073418  
Kolkata, 29th May, 2015

On behalf of the board of Directors

**SADHANA ADHIKARY**  
(Director)

**SUMANTA DEY**  
(Director)

Statement of Profit and Loss for the year ended 31st March, 2015

| Particulars                                                                            | NOTE           | Year ended<br>31.03.2015 | Year ended<br>31.03.2014 |
|----------------------------------------------------------------------------------------|----------------|--------------------------|--------------------------|
| <b>I REVENUE</b>                                                                       |                |                          |                          |
| Revenue from operations                                                                | 2.17           | 667,622,845.05           | 569,930,334.92           |
| Other income                                                                           | 2.18           | 22,474,999.50            | 12,332,640.01            |
|                                                                                        |                |                          | -                        |
| <b>Total Revenue</b>                                                                   |                | <b>690,097,844.55</b>    | <b>582,262,974.93</b>    |
| <b>II Expenses:</b>                                                                    |                |                          |                          |
| Purchases of Stock-in-Trade                                                            | 2.19           | 494,833,744.27           | 409,503,086.48           |
| Changes in inventories of Stock-in-Trade and goods in transit                          | 2.20           | (22,052,959.04)          | (1,285,310.34)           |
| Employees Benefit Expenses                                                             | 2.21           | 20,057,068.00            | 14,495,546.00            |
| Finance costs                                                                          | 2.22           | 13,607,347.64            | 8,386,728.53             |
| Depreciation and amortization expense                                                  | 2.8            | 11,271,708.09            | 8,990,151.26             |
| Other expenses                                                                         | 2.23           | 47,714,361.01            | 37,216,161.20            |
| <b>Total expenses</b>                                                                  |                | <b>565,431,269.97</b>    | <b>477,306,363.13</b>    |
| <b>III Profit before Tax and Extraordinary Items (I - II)</b>                          |                | <b>124,666,574.58</b>    | <b>104,956,611.80</b>    |
| <b>IV Extraordinary Items</b>                                                          |                | -                        | -                        |
| <b>V Profit before tax (III - IV)</b>                                                  |                | <b>124,666,574.58</b>    | <b>104,956,611.80</b>    |
| <b>VI Tax expense:</b>                                                                 |                |                          |                          |
| (1) Current tax                                                                        |                | (41,913,154.00)          | (35,633,102.00)          |
| (2) Deferred tax                                                                       | 2.28           | 1,680,188.38             | 1,482,916.62             |
| <b>VII Profit (Loss) for the period (XI + XIV)</b>                                     |                | <b>84,433,608.96</b>     | <b>70,806,426.42</b>     |
| <b>VIII Earnings per equity share:</b>                                                 |                |                          |                          |
| (1) Basic                                                                              |                | 3.36                     | 2.81                     |
| (2) Diluted                                                                            |                | 3.36                     | 2.81                     |
| <b>Significant Accounting Policies &amp; other Explanatory Notes &amp; Information</b> | 1, 2.24 - 2.33 |                          |                          |

As per our report of even date attached

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

**K. L. Rungta**  
(Proprietor)  
Membership No. 073418  
Kolkata, 29th May, 2015

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

**SUJAY BHATTACHERJEE**  
(Chief Financial Officer)

On behalf of the board of Directors

**SADHANA ADHIKARY**  
(Director)

**SUMANTA DEY**  
(Director)

**CASH FLOW STATEMENT**  
(Pursuant to Clause 32 of the Listing Agreement)

| Sl. | Particulars                                             | As at 31st March 2015 |                 | As at 31st March 2014 |                  |
|-----|---------------------------------------------------------|-----------------------|-----------------|-----------------------|------------------|
|     |                                                         | ₹                     | ₹               | ₹                     | ₹                |
| A.  | CASH FLOW FROM OPERATING ACTIVITIES                     |                       |                 |                       |                  |
|     | Net Profit (Loss) Before Tax                            |                       | 124,666,574.58  |                       | 104,956,611.80   |
|     | Adjustment For :                                        |                       |                 |                       |                  |
|     | Depreciation                                            | 11,271,708.09         |                 | 8,990,151.26          |                  |
|     | Finance Cost                                            | 13,607,347.64         |                 | 8,386,728.53          |                  |
|     | Interest Income                                         | (6,669,861.21)        |                 | (6,634,751.83)        |                  |
|     | Rent Received                                           | (32,416.00)           |                 | (32,416.00)           |                  |
|     | Profit on sale of Investment                            | (15,763,796.72)       | 2,412,981.80    | (5,663,014.18)        | 5,046,697.78     |
|     | Operating Profit before Working Capital Changes         |                       | 127,079,556.38  |                       | 110,003,309.58   |
|     | Adjustment To:                                          |                       |                 |                       |                  |
|     | Stock in Trade                                          | (22,052,959.04)       |                 | (1,285,310.34)        |                  |
|     | Trade Receivables                                       | 17,294,888.74         |                 | 5,186,367.00          |                  |
|     | Short Term Loans & Advances                             | (4,283,456.45)        |                 | 1,819,813.53          |                  |
|     | Other current Assets                                    | 1,874,313.04          |                 | (959,401.62)          |                  |
|     | Non current assets                                      | (16,100.42)           |                 | -                     |                  |
|     | Trade Payables                                          | (9,532,970.12)        |                 | 885,695.19            |                  |
|     | Provision                                               | 6,855,018.00          |                 | 1,809,652.50          |                  |
|     | Other current and non current liabilities               | (87,503,221.92)       | (97,364,488.17) | 115,525,502.61        | 122,982,318.87   |
|     | Cash Generate from Operation                            |                       | 29,715,068.21   |                       | 232,985,628.45   |
|     | Tax Paid including interest thereon                     | (41,913,154.00)       | (41,913,154.00) | (35,633,102.00)       | (35,633,102.00)  |
|     | Net Cash Generated from/ (Used in) Operating Activities |                       | (12,198,085.79) |                       | 197,352,526.45   |
| B   | CASH FLOW FROM INVESTING ACTIVITIES                     |                       |                 |                       |                  |
|     | Rent Received                                           | 32,416.00             |                 | 32,416.00             |                  |
|     | Interest Income                                         | 6,669,861.21          |                 | 6,634,751.83          |                  |
|     | Purchase/Sale of Fixed Asset(Net)                       | (737,718.92)          |                 | (3,681,744.38)        |                  |
|     | Investment In Mutual Fund(Net)                          | 26,931,032.90         |                 | (175,100,000.00)      |                  |
|     | Capital WIP                                             | -                     |                 | (3,054,162.00)        |                  |
|     | Increase In Fixed Deposits                              | (419,510.52)          |                 | (6,698,684.35)        |                  |
|     | Net Cash Generated From/ (Used In) Investing Activities |                       | 32,476,080.67   |                       | (181,867,422.90) |
| C   | CASH FLOW FROM FINANCING ACTIVITIES                     |                       |                 |                       |                  |
|     | Instalment Paid                                         | (47,223.59)           |                 | (45,876.58)           |                  |
|     | Finance Cost                                            | (13,607,347.64)       |                 | (8,386,728.53)        |                  |
|     | Dividend Paid                                           | (6,288,753.00)        |                 | (6,288,753.00)        |                  |
|     | Tax on Dividend Paid                                    | (1,068,774.00)        |                 | (1,020,350.17)        |                  |
|     | Net Cash Generaed From/ (Used In) Financing Activities  |                       | (21,012,098.23) |                       | (15,741,708.28)  |
|     | Net Increase/(Decrease) in cash and cash Equivalent     | ( A + B + C )         | (734,103.35)    | ( A + B + C )         | (256,604.73)     |
|     | Cash and Cash Equivalents ( Opening Balance )           |                       | 8,134,374.63    |                       | 8,390,979.36     |
|     | Cash and Cash Equivalents ( Closing Balance )           |                       | 7,400,271.28    |                       | 8,134,374.63     |
|     | Cash and Cash Equivalents Comprises of:                 |                       |                 |                       |                  |
|     | Cash & Cheque in Hand                                   |                       | 2,314,632.45    |                       | 5,095,379.62     |
|     | Balance with Schedule banks                             |                       | 5,085,637.88    |                       | 3,038,995.01     |

*As per our report of even date attached*

*On behalf of the board of Directors*

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

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

**SADHANA ADHIKARY**  
(Director)

**K. L. Rungta**  
(Proprietor)  
Membership No. 073418  
Kolkata, 29th May,2015

**SUJAY BHATTACHERJEE**  
(Chief Financial Officer)

**SUMANTA DEY**  
(Director)

**NOTES TO FINANCIAL STATEMENTS****1. Significant Accounting Policies:****Basis of Accounting:**

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

**Use of Estimates:**

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

**Fixed Asset / Depreciation:**

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

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

Depreciation has been provided and adjustment has been made in Fixed Assets account to arrive at proper residual value in accordance with the Companies Act, 2013. Consequent to the aforesaid changes, Depreciation has been calculated for FY 14-15 of Rs.112.72 lacs, which would have been Rs.108 lacs, if calculated under Companies Act 1956. The increase in Depreciation for the transitional provisional for Companies Act 2013 affected the Profit /Loss Account by decreasing the profit by Rs.4.72 lacs.

**Foreign Currency Transaction:**

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

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

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

**Borrowing Costs:**

Borrowing Costs that are directly attributable to and incurred on acquiring qualifying assets (assets that necessarily

takes a substantial period of time for its intended use) are capitalized. Other borrowing costs are recognized as expenses in the period in which same are incurred.

### **Segment Accounting:**

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

### **Impairment of Assets:**

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

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

### **Investment**

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

### **Inventories:**

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

### **Employee Benefit:**

- (a) Defined Contributions Plans such as Provident Fund etc., for company's own employees are charged to the Profit & Loss Account.
- (b) The Company also has hired employees from outside agency & all statutory formalities in respect of those employees, if any, are to be complied by such agency as per their Contracts.
- (c) Gratuity: Based on the completed number of years in service by the employee, this is the first year in which the company is required to recognize the liability for gratuity. Accordingly the company has a provision of Rs. 513,461/-. In due course of time, the company is in process to get the same valued on the basis of actuarial valuation and funding of the same.

### **Revenue recognition:**

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

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

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

### **Taxes on Income:**

Tax on income for the current period is determined on the basis of taxable Income and tax credits computed in

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

**Provisions and Contingent Liabilities:**

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

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

**Proposed Dividend:**

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

**Earnings per Share**

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

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

## 2.1 SHARE CAPITAL

| Particulars                             | As at<br>31st March '15 | As at<br>31st March '14 |
|-----------------------------------------|-------------------------|-------------------------|
| <b>Authorised</b>                       |                         |                         |
| 26000000 equity shares of Rs. 10 each   | 260,000,000.00          | 260,000,000.00          |
| <b>Issued, Subscribed &amp; Paid-up</b> |                         |                         |
| 25155012 equity shares fully paid       | 251,550,120.00          | 251,550,120.00          |
| Total                                   | 251,550,120.00          | 251,550,120.00          |

### Reconciliation of Number of Shares

| Particulars                          | 31st March '15 |                | 31st March '14 |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
|                                      | Number         | Amount         | Number         | Amount         |
| Balance at the beginning of the year | 25,155,012     | 251,550,120.00 | 25,155,012     | 251,550,120.00 |
| Balance at the end of the year       | 25,155,012     | 251,550,120.00 | 25,155,012     | 251,550,120.00 |

### Rights, Preferences and Restrictions attached to shares

Equity Shares: The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts.

### Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Particulars                       | 31st March '15 |       | 31st March '14 |       |
|-----------------------------------|----------------|-------|----------------|-------|
|                                   | Number         | %     | Number         | %     |
| Easel Advertising Private Limited | 3239500        | 12.88 | 3239500        | 12.88 |
| Panchavati Tie-up Private Limited | 5124666        | 20.37 | 5124666        | 20.37 |
| Satya Brata Dey                   | 4108527        | 16.33 | 4108527        | 16.33 |

### Aggregate number of shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding reporting financial year

|                                | Financial Year | Number of Shares | Financial Year | Number of Shares |
|--------------------------------|----------------|------------------|----------------|------------------|
| Equity Shares issued on merger | 2008-09        | 21,954,182       | 2008 - 09      | 21,954,182       |

## 2.2 RESERVES & SURPLUS

| Particulars                          | As at<br>31st March '15 | As at<br>31st March '14 |
|--------------------------------------|-------------------------|-------------------------|
| Securities Premium                   | 1,407,742,545.00        | 1,407,742,545.00        |
|                                      | 1,407,742,545.00        | 1,407,742,545.00        |
| Surplus in Profit & Loss Statement   |                         |                         |
| Balance at the beginning of the year | 214,856,173.12          | 151,407,273.70          |
| Profit/ (loss) for the year          | 84,433,608.96           | 70,806,426.42           |
| Profit available for appropriation   | 299,289,782.08          | 222,213,700.12          |
| Proposed Dividend                    | -                       | (6,288,753.00)          |
| Taxes on Proposed Dividend           | -                       | (1,068,774.00)          |
| Excess/Short Depreciation Charged    | (4,447.00)              |                         |
| Total                                | 299,285,335.08          | 214,856,173.12          |
| Total- Reserves & Surplus            | 1,707,027,880.08        | 1,622,598,718.12        |

## 2.3 LONG TERM BORROWINGS

| Particulars             | As at<br>31st March '15 | As at<br>31st March '14 |
|-------------------------|-------------------------|-------------------------|
| Secured Borrowings      |                         |                         |
| Car Loan from HDFC Bank | 44,396.00               | 91,619.59               |
| Total                   | 44,396.00               | 91,619.59               |

### Brief Details of Loan

Loan Amount: Rs 206,000 taken for the purchase of Motor Car repayable on 45 EMIs of Rs. 4714 beginning from February'12

## 2.4 OTHER LONG TERM LIABILITIES

| Particulars                             | As at<br>31st March '15 | As at<br>31st March '14 |
|-----------------------------------------|-------------------------|-------------------------|
| Security Deposit from agents            | 15,150,000.00           | 15,150,000.00           |
| Security Deposits (Construction)        | 20,183.00               | 20,183.00               |
| Refundable Retainership Money           | 79,308.00               | 79,308.00               |
| Uncleared Cheques of CRB Capital Market | 56,889.70               | 56,889.70               |
| Total                                   | 15,306,380.70           | 15,306,380.70           |

## 2.5 TRADE PAYABLES

| Particulars      | As at<br>31st March '15 | As at<br>31st March '14 |
|------------------|-------------------------|-------------------------|
| Sundry Creditors | 18,759,697.59           | 28,292,667.71           |
| Total            | 18,759,697.59           | 28,292,667.71           |

## 2.6 OTHER CURRENT LIABILITIES

| Particulars                           | As at<br>31st March '15 | As at<br>31st March '14 |
|---------------------------------------|-------------------------|-------------------------|
| Interest payable on security deposits | 171,000.00              | 171,000.00              |
| TDS Payable                           | 1,221,637.14            | 986,614.14              |
| Sales Tax TDS                         | 4,190.00                | 4,149.00                |
| VAT Payable                           | 762,855.06              | 252,526.18              |
| Entry Tax Payable                     | 57,131.00               | 49,599.00               |
| Service Tax Payable                   | 9,426.00                | 32,335.00               |
| CST Payable                           | 52,312.00               | 206,309.00              |
| Unclaimed Dividend (2008 - 09)        | 26,693.50               | 26,693.50               |
| Unclaimed Dividend (2009-10)          | 132,022.00              | 132,022.00              |
| Unclaimed Dividend (2010 - 11)        | 98,630.00               | 98,630.00               |
| Unclaimed Dividend (2011 - 12)        | 49,372.00               | 49,372.00               |
| Unclaimed Dividend (2012 - 13)        | 78,677.75               | 78,677.75               |
| Unsecured Loans                       | 28,260,682.00           | 114,796,805.00          |
| Auditors Remuneration                 | 380,500.00              | 450,000.00              |
| Creditors for expenses                | 1,486,378.37            | 2,967,860.00            |
| Proposed Dividend on equity shares    | -                       | 6,288,753.00            |
| Car Loan                              |                         |                         |
| (repayable during the year 2015 - 16) | 47,227.00               | 41,396.00               |
| Others                                | 8,456.00                | 6,423.17                |
| Total                                 | 32,847,189.82           | 126,639,164.74          |

## 2.7 SHORT TERM PROVISIONS

| Particular                   | As at<br>31st March '15 | As at<br>31st March '14 |
|------------------------------|-------------------------|-------------------------|
| Providend Fund               | 81,864.00               | 13,282.00               |
| ESI Payble                   | 32,125.00               | 39,192.00               |
| Professional Tax             | 6,910.00                | 6,920.00                |
| Income Tax                   | 41,913,154.00           | 35,633,102.00           |
| Provision for Gratuity       | 513,461.00              | -                       |
| Tax on Proposed Eq. Dividend | -                       | 1,068,774.00            |
| Total                        | 42,547,514.00           | 36,761,270.00           |

## 2.9 NON-CURRENT INVESTMENTS

| Particulars                               | 31st March '15 |            | 31st March '14 |              |
|-------------------------------------------|----------------|------------|----------------|--------------|
|                                           | Number         | Amount     | Number         | Amount       |
| Investment in Equity Shares:              |                |            |                |              |
| Unquoted:                                 |                |            |                |              |
| Associates:                               |                |            |                |              |
| Sreeleathers Overseas Limited(F.V. Rs 10) | -              | -          | 24,500         | 245,000.00   |
| Shoeline Trading Pvt Ltd. (F.V. Rs 10)    | 90,000         | 900,000.00 | 90,000         | 900,000.00   |
| Total                                     | 90,000         | 900,000.00 | 114,500        | 1,145,000.00 |

## 2.10 OTHER NON-CURRENT ASSETS

| Particulars                             | As at<br>31st March '15 | As at<br>31st March '14 |
|-----------------------------------------|-------------------------|-------------------------|
| VAT Refundable                          | 208,431.00              | 208,431.00              |
| Tax Deducted at Source (Previous Years) | 157,851.03              | 157,851.03              |
| Security Deposit                        | 3,435,082.00            | 3,410,776.46            |
| Deferred Revenue Expenditure            | 123,965.52              | 132,170.64              |
| Total                                   | 3,925,329.55            | 3,909,229.13            |

**SREELEATHERS LIMITED**  
**F.Y.2014-2015**  
**FIXED ASSETS**

Note 2.8

| Description               | GROSS BLOCK (AT COST)   |                      |                               |                         | DEPRECIATION         |                        |                      |                               | NET BLOCK            |                         |
|---------------------------|-------------------------|----------------------|-------------------------------|-------------------------|----------------------|------------------------|----------------------|-------------------------------|----------------------|-------------------------|
|                           | As at 01.04.2014        | Additions            | D e -<br>d u c -<br>t i o n s | As at 31.03.2015        | As<br>01.04.2014     | E x c e s s<br>D e p n | For the Year         | D e -<br>d u c -<br>t i o n s | As<br>31.03.2015     | As at 31.03.2015        |
| <b>A. Tangible Assets</b> |                         |                      |                               |                         |                      |                        |                      |                               |                      |                         |
| Land                      | 1,186,205,653.00        | -                    | -                             | 1,186,205,653.00        | -                    | -                      | -                    | -                             | -                    | 1,186,205,653.00        |
| Building                  | 366,771,771.00          | 32,043,166.00        | -                             | 398,814,937.00          | 30,065,449.26        | 5,846,761.33           | 5,846,761.33         | -                             | 35,912,210.59        | 362,902,726.41          |
| Refrigerator              | -                       | 57,500.00            | -                             | 57,500.00               | 0.00                 | 2,802.11               | 2,802.11             | -                             | 2,802.11             | 54,697.89               |
| Office Equipment          | -                       | 13,490.00            | -                             | 13,490.00               | 0.00                 | 1,271.02               | 1,271.02             | -                             | 1,271.02             | 12,218.98               |
| Electrical Installation   | 1,007,127.71            | 3,979,663.00         | -                             | 4,986,790.71            | 220,067.40           | 154,503.83             | 154,503.83           | -                             | 374,571.23           | 4,612,219.48            |
| Air Conditioner           | 2,321,068.54            | 161,600.00           | -                             | 2,482,668.54            | 485,908.14           | 164,544.60             | 164,544.60           | -                             | 650,452.74           | 1,832,215.80            |
| Furniture & Fixture       | 38,092,333.64           | 2,663,866.00         | -                             | 40,756,199.64           | 8,781,068.04         | 4,243,905.61           | 4,243,905.61         | -                             | 13,024,973.65        | 27,731,225.99           |
| Television                | 170,000.00              | -                    | -                             | 170,000.00              | 22,387.63            | 17,982.25              | 17,982.25            | -                             | 40,369.88            | 129,630.12              |
| Computer                  | 1,630,607.99            | 69,488.00            | -                             | 1,700,075.99            | 807,034.29           | 4,447.00               | 442,321.36           | -                             | 1,253,802.65         | 446,273.34              |
| Motor Vehicle             | 1,090,635.66            | -                    | -                             | 1,090,635.66            | 489,127.86           | 106,446.59             | 106,446.59           | -                             | 595,574.45           | 495,061.21              |
| Goodwill                  | 12,190,682.26           | -                    | -                             | 12,190,682.26           | -                    | -                      | -                    | -                             | -                    | 12,190,682.26           |
| Elevator                  | 1,110,000.00            | 4,038,637.00         | -                             | 5,148,637.00            | 230,401.00           | 106,961.53             | 106,961.53           | -                             | 337,362.53           | 4,811,274.47            |
| Fire Alarm System         | 975,000.00              | 2,349,293.00         | -                             | 3,324,293.00            | 240,669.47           | 78,881.50              | 78,881.50            | -                             | 319,550.97           | 3,004,742.03            |
| Mobile Phone              | 145,705.33              | 49,500.00            | -                             | 195,205.33              | 17,141.33            | 59,994.13              | 59,994.13            | -                             | 77,135.46            | 118,069.87              |
| Camera                    | 50,555.00               | -                    | -                             | 50,555.00               | 3,515.65             | 3,239.25               | 3,239.25             | -                             | 6,754.90             | 43,800.10               |
| CCTV Camera               | 55,604.00               | -                    | -                             | 55,604.00               | 10,469.57            | 4,213.59               | 4,213.59             | -                             | 14,683.16            | 40,920.84               |
| Security System           | 148,877.00              | -                    | -                             | 148,877.00              | 21,214.98            | 10,059.72              | 10,059.72            | -                             | 31,274.70            | 117,602.30              |
| Water Cooler              | 27,280.00               | -                    | -                             | 27,280.00               | 6,301.46             | 19,614.54              | 19,614.54            | -                             | 25,916.00            | 1,364.00                |
| <b>TOTAL</b>              | <b>1,611,992,901.13</b> | <b>45,426,183.00</b> | <b>-</b>                      | <b>1,657,419,084.13</b> | <b>41,400,756.07</b> | <b>4,447.00</b>        | <b>11,263,502.97</b> | <b>-</b>                      | <b>52,668,706.04</b> | <b>1,604,750,378.08</b> |
| Previous Year             | 1,608,319,361.13        | 3,673,540.00         | -                             | 1,611,992,901.13        | 32,418,809.93        | -                      | 8,981,946.14         | -                             | 41,400,756.07        | 1,570,592,144.30        |
|                           |                         |                      |                               |                         |                      |                        |                      |                               |                      | 1,575,900,551.18        |

## 2.11 CURRENT INVESTMENTS

| Particulars                                           | 31st March '15 |                | 31st March '14 |                |
|-------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                       | Number         | Amount         | Number         | Amount         |
| <b><u>Investment in Mutual Fund</u></b>               |                |                |                |                |
| Sundram Bond Saver                                    | 188,383.046    | 7,500,000.00   | -              | -              |
| Sundram Select Debt Short- Term Plan                  | 1,489,905.498  | 35,500,000.00  | -              | -              |
| ICICI Pru-72-409D                                     | 1,000,000.00   | 10,000,000.00  | 1,000,000.00   | 10,000,000.00  |
| ICICI Income Plan Regular Growth                      | 260,908.527    | 10,000,000.00  | 260,908.527    | 10,000,000.00  |
| ICICI Pru - Dynamic Bond Fund - Regular Plan - Growth | 183,378.567    | 2,500,000.00   | 183,378.567    | 2,500,000.00   |
| ICICI Pru - Regular Saving Fund                       | 6,160,857.368  | 77,645,312.77  | 6,160,857.368  | 77,645,312.77  |
| ICICI Pru - Liquid Fund                               | 4,903.061      | 923,911.00     | 160,190.039    | 30,185,112.00  |
| ICICI FMP Series 74-369 days                          | 3,000,000.000  | 30,000,000.00  | -              | -              |
| Reliance Fixed Horizon Fund-XXV                       | 2,180,700.000  | 21,807,000.00  | 2,180,700.000  | 21,807,000.00  |
| Reliance Interval Fund - II - Series I Growth Plan    | 2,179,680.000  | 21,796,800.00  | 2,179,680.000  | 21,796,800.00  |
| Reliance Yearly Interval Fund-Series 6 growth plan    | 2,255,091.441  | 22,550,914.41  | 2,255,091.441  | 22,550,914.41  |
| Reliance Regular Saving Fund                          | 464,800.805    | 7,500,000.00   | 464,800.805    | 7,500,000.00   |
| HDFC Liquid Fund Growth                               | 107,051.252    | 2,500,000.00   | 107,051.252    | 2,500,000.00   |
| Reliance Liquid Fund- Treasury Plan                   | 79.580         | 215,425.00     | 79.580         | 215,425.00     |
| HDFC High Interest Growth                             | 195,041.092    | 7,410,745.68   | 195,041.092    | 7,410,745.68   |
| HDFC Income Fund Growth                               | 295,199.598    | 7,732,761.95   | 1,155,728.245  | 30,224,512.44  |
| ICICI Pru- FMP Series                                 | 2,181,440.000  | 21,814,400.00  | 2,181,440.000  | 21,814,400.00  |
| HDFC Gilt Fund - Long Term Growth                     | 11,754.211     | 232,578.22     | 1,020,926.870  | 19,901,862.91  |
| Religare Invesco-Bank Debt Fund Growth                | -              | -              | 4,695.694      | 5,000,000.00   |
| Reliance Dynamic Bond Fund-Growth                     | -              | -              | 455,022.194    | 7,500,000.00   |
| Total                                                 | 20,480,885.50  | 287,629,849.03 | 19,965,591.67  | 298,552,085.21 |
| Total NAV - Mutual Funds                              |                | 324,924,595.00 |                | 314,484,373.96 |

## 2.12 INVENTORIES

| Particulars      | As at<br>31st March '15 | As at<br>31st March '14 |
|------------------|-------------------------|-------------------------|
| Stock In Trade   | 64,462,213.99           | 43,360,694.95           |
| Goods In Transit | 1,948,253.00            | 996,813.00              |
| Total            | 66,410,466.99           | 44,357,507.95           |

## 2.13 TRADE RECEIVABLES

| Particulars                                   | As at<br>31st March '15 | As at<br>31st March '14 |
|-----------------------------------------------|-------------------------|-------------------------|
| Sundry Debtors<br>(Unsecured considered good) |                         |                         |
| - For more than 6 Months                      | 4,437,082.76            | 7,135,577.00            |
| - Other                                       | 1,444,643.00            | 16,041,037.50           |
| Total                                         | 5,881,725.76            | 23,176,614.50           |

## 2.14 CASH & CASH EQUIVALENTS

| Particulars                                             | As at<br>31st March '15 | As at<br>31st March '14 |
|---------------------------------------------------------|-------------------------|-------------------------|
| Balance with banks                                      |                         |                         |
| a) In Current Accounts                                  | 4,706,492.63            | 2,653,599.76            |
| b) In deposit Account<br>(less than 12 months maturity) | 37,273,184.87           | 36,853,674.35           |
| c) In deposit Account(Earmarked for Central Excise)     | 9,320,010.00            | 9,320,010.00            |
| Cash in Hand                                            | 2,308,832.45            | 515,549.62              |
| Cheque In Hand                                          | 5,800.00                | 4,579,830.00            |
| Other Bank Balances                                     |                         |                         |
| Balance in unpaid Dividend Account                      | 379,145.25              | 385,395.25              |
| Total                                                   | 53,993,465.20           | 54,308,058.98           |

## 2.15 SHORT TERM LOANS & ADVANCES

| Particulars                      | As at<br>31st March '15 | As at<br>31st March '14 |
|----------------------------------|-------------------------|-------------------------|
| FDR with Bank for Bank guarantee | 123,000.00              | 123,000.00              |
| Income Tax Advance               | 34,200,000.00           | 29,900,000.00           |
| Advance for renovation           | 500,000.00              | 500,000.00              |
| Advance for Capital Expenditure  | 613,221.94              | 613,221.94              |
| Advance for CESC                 | 51,746.92               | 54,128.33               |
| Other Advance                    | 851,375.00              | 865,537.14              |
| Total                            | 36,339,343.86           | 32,055,887.41           |

## 2.16 OTHER CURRENT ASSETS

| Particulars                     | As at<br>31st March '15 | As at<br>31st March '14 |
|---------------------------------|-------------------------|-------------------------|
| T.D.S Receivable (Current Year) | 666,881.10              | 663,715.00              |
| Security Deposit                | 52,300.00               | 52,300.00               |
| Rent Receivable                 | 4,752.00                | 2,752.00                |
| STDS Receivable                 | -                       | 79,501.00               |
| Interest Receivable from FD     | 384,897.08              | 2,439,693.71            |
| Interest Receivable from others | 263,097.25              | 116,333.76              |
| Advance Rent                    | 315,929.00              | 315,928.00              |
| Income Tax Refundable           | 431,283.00              | 345,887.00              |
| Others                          | 22,658.00               |                         |
| Total                           | 2,141,797.43            | 4,016,110.47            |

## 2.17 REVENUE FROM OPERATIONS

| Particulars   | As at<br>31st March '15 | As at<br>31st March '14 |
|---------------|-------------------------|-------------------------|
| Sale of Goods | 667,622,845.05          | 569,930,334.92          |
| Total         | 667,622,845.05          | 569,930,334.92          |

## 2.18 OTHER INCOME

| Particulars                   | As at<br>31st March '15 | As at<br>31st March '14 |
|-------------------------------|-------------------------|-------------------------|
| Interest on Fixed Deposits    | 6,429,030.54            | 6,483,351.64            |
| Rent Received                 | 32,416.00               | 32,416.00               |
| Profit on sale of Investment  | 15,763,796.72           | 5,663,014.18            |
| Interest on security deposits | 240,830.67              | 151,400.19              |
| Other Income                  | 8,925.57                | 2,458.00                |
| Total                         | 22,474,999.50           | 12,332,640.01           |

## 2.19 PURCHASE ACCOUNTS

| Particulars                      | As at<br>31st March '15 | As at<br>31st March '14 |
|----------------------------------|-------------------------|-------------------------|
| Purchase                         | 494,216,156.27          | 409,150,651.23          |
| Reverse Credit on stock transfer | 617,588.00              | 352,435.25              |
|                                  | 494,833,744.27          | 409,503,086.48          |

## 2.20 CHANGES OF INVENTORIES OF STOCK IN TRADE & TRANSIT

| Particulars      | As at<br>31st March '15 | As at<br>31st March '14 |
|------------------|-------------------------|-------------------------|
| Stock In Trade   | (21,101,519.04)         | (288,497.34)            |
| Goods In Transit | (951,440.00)            | (996,813.00)            |
| Total            | (22,052,959.04)         | (1,285,310.34)          |

## 2.21 EMPLOYEES EXPENSES

| Particulars            | As at<br>31st March '15 | As at<br>31st March '14 |
|------------------------|-------------------------|-------------------------|
| Salary & Wages         | 13,459,698.00           | 6,717,129.00            |
| ESI Expenses           | 310,956.00              | 260,713.00              |
| Provident Fund         | 355,826.00              | 84,951.00               |
| Service Charges        | 137,831.00              | 145,064.00              |
| Staff Welfare          | 2,782,096.00            | 5,147,329.00            |
| Security Staff Charges | 1,210,661.00            | 940,360.00              |
| Directors Remuneration | 1,800,000.00            | 1,200,000.00            |
| Total                  | 20,057,068.00           | 14,495,546.00           |

## 2.22 FINANCE COSTS

| Particulars                  | As at<br>31st March '15 | As at<br>31st March '14 |
|------------------------------|-------------------------|-------------------------|
| Bank Charges                 | 148,043.93              | 95,855.83               |
| Interest On TDS              | -                       | 898.00                  |
| Interest on Security Deposit | 82,500.00               | 82,500.00               |
| Other Interest on Borrowings | 13,376,803.71           | 8,207,474.70            |
| Total                        | 13,607,347.64           | 8,386,728.53            |

## 2.23 OTHER EXPENSES

| Particulars                   | As at<br>31st March '15 | As at<br>31st March '14 |
|-------------------------------|-------------------------|-------------------------|
| Advertisement                 | 18,897,453.00           | 15,423,337.62           |
| Annual Maintenance Charges    | 377,302.35              | 296,655.80              |
| Audit Fees                    | 672,725.00              | 500,000.00              |
| Car Running Expenses          | 46,646.00               | 98,144.00               |
| Bank Charges On Credit Card   | 365,839.25              | 320,098.11              |
| Carry Bag                     | 1,338,978.00            | 2,211,103.00            |
| Computer Maintenance          | 36,806.00               | 36,508.00               |
| Courier Charges               | 86,705.00               | 72,089.00               |
| Custodial Fees                | 111,804.00              | 111,798.00              |
| Consultancy Charges           | 298,000.00              | 183,500.00              |
| Depository Charges            | 13,099.00               | 30,204.00               |
| Donation                      | 25,000.00               | 36,000.00               |
| Entry Tax Paid                | 1,266,479.42            | 959,688.00              |
| Electricity Charges           | 3,612,035.34            | 3,439,075.30            |
| Freight                       | 4,817,587.00            | 2,912,778.00            |
| General Expenditure           | 5,025,196.37            | 1,101,165.76            |
| Insurance Charges             | 4,335.00                | 9,424.00                |
| Interest on Income tax        | 436,661.00              | 456,201.00              |
| Legal Charges                 | 151,240.00              | 362,250.00              |
| Listing Fees                  | 364,048.00              | 453,935.00              |
| Printing & Stationery         | 804,446.00              | 718,951.00              |
| Prior Period Expenses         | 1,824.00                | -                       |
| Professional Fees             | 381,829.00              | 932,768.00              |
| Professional Tax              | 2,500.00                | 2,500.00                |
| ROC filing fees               | 29,200.00               | 13,000.00               |
| Rates & Taxes                 | 430,802.00              | 346,136.00              |
| Repairs & Maintenance         | 2,574,766.56            | 983,688.09              |
| Rent                          | 3,791,148.00            | 3,668,279.00            |
| Round Off                     | (1,195.42)              | (9,875.80)              |
| Sales Promotion               | 441,803.00              | 333,626.00              |
| Sales Tax Assessment Dues     | 488,805.00              | 129,563.00              |
| Service Tax                   | 365,675.00              | 358,745.00              |
| Telephone & Internet Expenses | 292,579.14              | 293,239.32              |
| Trade Licence Fees            | 3,800.00                | 16,900.00               |
| Travelling & Conveyance       | 158,439.00              | 388,217.00              |
| VAT on Non Trading Goods      | -                       | 26,470.00               |
| Total                         | 47,714,361.01           | 37,216,161.20           |

## 2.24 CONTINGENT LIABILITIES

| Particulars                                   | As at<br>31st March '15 | As at<br>31st March '14 |
|-----------------------------------------------|-------------------------|-------------------------|
| Appeals filed in respect of disputed demands: |                         |                         |
| - where the company is in appeal              |                         |                         |
| (a) Sales Tax                                 | -                       | 1,422,254.00            |
| - where the department is in appeal           |                         |                         |
| (b) Central Excise Tax                        | 9,320,010.00            | 9,320,010.00            |
|                                               | <u>9,320,010.00</u>     | <u>10,742,264.00</u>    |

## OTHER EXPLANATORY NOTES & INFORMATION

### 2.25 SEGMENT REPORTING

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

### 2.26 RELATED PARTY DISCLOSURE

Nature of Relationship

Parties where common control exists:

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

Key Managerial Personnel:

- Satya Brata Dey

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

### *Nature of Transactions*

|                                  | As at<br>31st March '15 | As at<br>31st March '14 |
|----------------------------------|-------------------------|-------------------------|
| <u>Purchase of Goods</u>         |                         |                         |
| M/s Sreeleathers                 | 8,973,123.00            | 4,996,209.00            |
| Sumanta Susanta Overseas (P) Ltd | <u>2,167,397.00</u>     | <u>3,298,627.00</u>     |
| Total                            | <u>11,140,520.00</u>    | <u>8,294,836.00</u>     |
| <br><u>Sale of Goods</u>         |                         |                         |
| M/s Sreeleathers                 | 16,745,502.00           | 10,578,580.00           |
| Sumanta Susanta Overseas (P) Ltd | 14,118,910.00           | 68,049,582.00           |
| Duel Leather Dzines (P) Ltd      | -                       | 2,383,638.00            |
| Upkar Vinimay (P) Ltd            | 39,113,110.00           | 17,291,751.00           |
| Tug Overseas (P) Ltd             | <u>30,649.00</u>        | <u>619,186.00</u>       |
| Total                            | <u>70,008,171.00</u>    | <u>98,922,737.00</u>    |

## Rent Received

|                      |           |           |
|----------------------|-----------|-----------|
| Tug Overseas (P) Ltd | 24,000.00 | 24,000.00 |
| Total                | 24,000.00 | 24,000.00 |

## Remuneration

|                 |              |              |
|-----------------|--------------|--------------|
| Satya Brata Dey | 1,800,000.00 | 1,200,000.00 |
|                 | 1,800,000.00 | 1,200,000.00 |

Balance as on 31.03.2015

## Trade Receivables

|                                  |              |               |
|----------------------------------|--------------|---------------|
| Sumanta Susanta Overseas (P) Ltd | -            | 17,212,648.00 |
| M/s Sreeleathers                 | -            | 7,006.00      |
| Tug Overseas (P) Ltd             | -            | 226,514.00    |
| Upkar Vinimay (P) Ltd            | 1,008,425.00 | 879,880.00    |
| Duel Leather Dzines (P) Ltd      | -            | 37,775.00     |
|                                  | 1,008,425.00 | 18,363,823.00 |

## Trade Payables

|                                  |   |            |
|----------------------------------|---|------------|
| Sumanta Susanta Overseas (P) Ltd | - | (8,996.00) |
|                                  | - | (8,996.00) |

## 2.27 AUDIT FEES INCLUDES

| Particulars                      | As at<br>31st March '15 | As at<br>31st March '14 |
|----------------------------------|-------------------------|-------------------------|
| (a) Audit Fees                   | 470,225.00              | 365,000.00              |
| (b) Fees for tax matters         | 109,500.00              | 73,000.00               |
| (c) Fees for Company Law Matters | 45,000.00               | 30,000.00               |
| (d) For Tax Audit Fees           | 48,000.00               | 32,000.00               |
|                                  | 672,725.00              | 500,000.00              |

## 2.28 DEFFERED TAX

| Particulars                          | As at<br>31st March '15 | As at<br>31st March '14 |
|--------------------------------------|-------------------------|-------------------------|
| Deffered Tax Asset - Opening Balance | 4,430,633.91            | 2,947,717.29            |
| Timing Difference                    |                         |                         |
| Depreciation Difference              | 1,680,188.38            | 1,482,916.62            |
| Deffered Tax Asset - Closing Balance | 6,110,822.29            | 4,430,633.91            |

## 2.29 EARNINGS PER SHARE

|                                   | As at<br>31st March '15 | As at<br>31st March '14 |
|-----------------------------------|-------------------------|-------------------------|
| Amount used as neumerator         | 84,433,608.96           | 70,806,426.42           |
| Weighted average number of shares | 25,155,012              | 25,155,012              |
| Basic EPS                         | 3.36                    | 2.81                    |
| Diluted EPS                       | 3.36                    | 2.81                    |

- 2.30 Disclosures under Section 22 of the Micro, Small and Medium Enterprises development Act, 2006 could not be furnished as none of the suppliers of the company have provided the details of their registration under the said act.
- 2.31 Balances of trade recievables, trade payables and loans & advances are subject to confirmation and consequential adjustments, if any.
- 2.32 In the opinion of the board, current assets, loans and advances have value in the ordinary course of business at least equal to the amount at which they are stated.
- 2.33 The figures of the previous years have been regrouped / rearranged wherever necessary. The Figures of the previous years are given in brackets. The company has compiled the above accounts based on the revised/ Modified schedule III applicable for the accounting period 2014-2015. 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*

*On behalf of the board of Directors*

**For, K. Rungta & Co.**  
Chartered Accountants

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

**SADHANA ADHIKARY**  
(Director)

Firm Reg. No. 321068E

**SUJAY BHATTACHERJEE**  
(Chief Financial Officer)

**SUMANTA DEY**  
(Director)

**K. L. Rungta**  
(Proprietor)  
Membership No. 073418  
Kolkata, 29th May, 2015