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 Bhattacherjee

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

INDEX

Particulars	Page
Directors' Report	2-23
Report on Corporate Governance	24-33
Management Discussion and Analysis Report	33-35
Auditors' Report	36-39
Balance Sheet	40
Profit and Loss Statement	41
Cash Flow Statement	42
Notes to the Financial Statement	43-57

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, AFECTING 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 Bhattacherjee (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.

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 compliant 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:

Name	Ratio
Satya Brata Dey (Managing Director)	9.95: 1
Sujay Bhattacherjee (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 Bhattacherjee, 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, Managing Director	Sri Sujay Bhattacherjee, Chief Financial Officer	Sri Bijoy Kumar Roy, Company Secretary
Remuneration in Fiscal 2015 (in lacs)	18.00	1.55	3.75
Revenue (in lacs)	6676.23		
Remuneration as % of revenue	0.27	0.02	0.06
Profit / (loss) before Tax (in lacs)	1246.67		
Remuneration (as % of 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

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

'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

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

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

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

Date : 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 & contact details	6, TOTEE LANE, KOLKATA- 700016 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. D-511 BAGREE MARKET 71, B.R.B. BASU ROAD KOLKATA-700001

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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

2	Non-Institutions									
	a) Bodies Corporate									
	i) Indian	5743189	0	5743189	22.831	4178652	1860464	6039116	24.008	1.177
	ii) Overseas									
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs 1 lakh	186939	84569	271508	1.079	181762	32469	214231	0.852	-0.227
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2892547	101000	2993547	11.9	2428317	69000	2497317	9.928	-1.972
	c) Others Specify									
	1. NRI									
	2. Overseas Corporate Bodies									
	3. Foreign Nationals									
	4. Clearing Members	101091	0	101091	0.402	358671	0	358671	1.426	1.024
	5. Trusts									
	6. Foreign Bodies - D.R.									
	Sub-total (B)(2)	8923766	185569	9109335	36.213	7147402	1961933	9109335	36.213	0
	Total Public Shareholding (B) = (B)(1)+(B)(2)	8923766	185569	9109335	36.213	7147402	1961933	9109335	36.213	0
C.	Shares held by Custodian for GDRs & ADRs									
	GRAND TOTAL (A+B+C)	**24969443**	**185569**	**25155012**	**100**	**23193079**	**1961933**	**25155012**	**100**	

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
	T O T A L	**16045677**	**63.787**	**0**	**16045677**	**63.787**	**0**	**0**

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 Begining 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 Begining 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 Begining 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 Begining 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 Begining 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 Begining 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
	T O T A L	**16045677**	**63.787**	**16045677**	**63.787**

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 Begining of the Year	321222	1.277		
	b) At the End of the Year			407556	1.62
2	DEVESH DEALMARK PRIVATE LIMITED				
	a) At the Begining of the Year	219250	0.872		
	b) At the End of the Year			234976	0.934
3	GANADHI VANIJYA PVT. LTD.				
	a) At the Begining 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 Begining of the Year	155555	0.618		
	b) At the End of the Year			155555	0.618
5	INTELLECT STOCK BROKING LIMITED				

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

E. Shareholding of Directors & KMP

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Directors & KMP	No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	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 excluding deposits	Unsecured Loans	Deposits	Total 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
Total (i+ii+iii)	**91,623.30**	**28,260,682.00**	**-**	**28,352,305.30**

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 SECRATORY"	BIJOY KUMAR ROY			390000	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/COMPPOUNDING 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.

For **Sreeleathers Limited**

Kolkata

May 29, 2015

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 Bhattacherjee
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:

				Committees	
Name of Director	**DIN**	**Category**	**No. of other Directorships**	**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 Bhattacherjee***	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

1. The above numbers exclude Directorship in Private, Foreign Companies and Companies which are granted License U/s 8 of the Companies Act, 2013.
2. Chairmanship / Membership of Committee only include Audit Committee and Share 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 Bhattacherjee***	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.

i. Qualification, expertise and experience of the Directors in their respective fields;

ii. Personal, Professional or business standing;

iii. Diversity of the Board.

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

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

CEO & Managing Director - Criteria for selection / appointment

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

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

Remuneration for the CEO & Managing Director

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

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

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

Remuneration Policy for the Senior Management Employees

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

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

c) Stakeholder relationship Committee:

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 RESPONSIBILTY (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.sree-leathers.com and is available there.

e) PERFORNAMCE 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 of Attended
Satyabrata Dey –Director	Chairman	1
Sadhana Adhikary - Independent Director	Member	1
Tanmoy Shome – Independent Director	Member	1
Sujay Bhattacherjee - 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. 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 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 August14, 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.)
April14	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 EMLOYED.

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 31st March 2015	As at 31st March 2014
A	**EQUITIES & LIABILITIES**			
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
	Total - Share Holders Fund		**1,958,578,000.08**	**1,874,148,838.12**
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
	Total - Non Current Liabilities		**15,350,776.70**	**15,398,000.29**
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
	TOTAL - Equities & Liabilities		**2,068,083,178.19**	**2,081,239,940.86**
B	**ASSETS**			
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
	Total - Non Current Assets		**1,615,686,529.92**	**1,624,773,676.34**
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
	TOTAL - Assets		**2,068,083,178.19**	**2,081,239,940.86**
	Significant Accounting Policies & other Explanatory Notes & Information	1, 2.24 - 2.33		

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

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

B. K. ROY
(Company Secretary)

SUJAY BHATTACHERJEE
(Chief Financial Officer)

SADHANA ADHIKARY
(Director)

SUMANTA DEY
(Director)

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

	Particulars	NOTE	Year ended 31.03.2015	Year ended 31.03.2014
I	**REVENUE**			
	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
				-
	Total Revenue		690,097,844.55	582,262,974.93
II	**Expenses:**			
	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
	Total expenses		565,431,269.97	477,306,363.13
III	**Profit before Tax and Extraordinary Items (I - II)**		**124,666,574.58**	**104,956,611.80**
IV	Extraordinary Items		-	-
V	**Profit before tax (III - IV)**		**124,666,574.58**	**104,956,611.80**
VI	Tax expense:			
	(1) Current tax		(41,913,154.00)	(35,633,102.00)
	(2) Deferred tax	2.28	1,680,188.38	1,482,916.62
VII	**Profit (Loss) for the period (XI + XIV)**		**84,433,608.96**	**70,806,426.42**
VIII	Earnings per equity share:			
	(1) Basic		3.36	2.81
	(2) Diluted		3.36	2.81
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

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

On behalf of the board of Directors

B. K. ROY
(Company Secretary)

SUJAY BHATTACHERJEE
(Chief Financial Officer)

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

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

B. K. ROY
(Company Secretary)

SUJAY BHATTACHERJEE
(Chief Financial Officer)

SADHANA ADHIKARY
(Director)

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 certainly 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 extend 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 31st March '15	As at 31st March '14
Authorised		
26000000 equity shares of Rs. 10 each	260,000,000.00	260,000,000.00
Issued, Subscribed & Paid-up		
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 imediately 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 31st March '15	As at 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 31st March '15	As at 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 repayble on 45 EMIs of Rs. 4714 beginning from Feburary'12

2.4 OTHER LONG TERM LIABILITIES

Particulars	As at 31st March '15	As at 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 31st March '15	As at 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 31st March '15	As at 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
Uncliamed Divided (2010 - 11)	98,630.00	98,630.00
Uncliamed Divided (2011 - 12)	49,372.00	49,372.00
Uncliamed Divided (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 31st March '15	As at 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 31st March '15	As at 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

	GROSS BLOCK (AT COST)				DEPRECIATION					NET BLOCK	
Description	As at 01.04.2014	Additions	De-ductions	As at 31.03.2015	As at 01.04.2014	Excess Depn	For the Year	De-ductions	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
A. Tangible Assets											
Land	1,186,205,653.00	-	-	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	-	35,912,210.59	362,902,726.41	336,706,321.74
Refrigerator	-	57,500.00		57,500.00	0.00		2,802.11	-	2,802.11	54,697.89	0.00
Office Equipment	-	13,490.00		13,490.00	0.00		1,271.02	-	1,271.02	12,218.98	0.00
Electrical Installation	1,007,127.71	3,979,663.00	-	4,986,790.71	220,067.40		154,503.83	-	374,571.23	4,612,219.48	787,060.31
Air Conditioner	2,321,068.54	161,600.00	-	2,482,668.54	485,908.14		164,544.60	-	650,452.74	1,832,215.80	1,835,160.40
Furnitur & Fixture	38,092,333.64	2,663,866.00	-	40,756,199.64	8,781,068.04		4,243,905.61	-	13,024,973.65	27,731,225.99	29,311,265.60
Television	170,000.00	-	-	170,000.00	22,387.63		17,982.25	-	40,369.88	129,630.12	147,612.37
Computer	1,630,607.99	69,468.00	-	1,700,075.99	807,034.29	4,447.00	442,321.36	-	1,253,802.65	446,273.34	823,573.70
Motor Vehicle	1,090,635.66	-	-	1,090,635.66	489,127.86		106,446.59	-	595,574.45	495,061.21	601,507.80
Goodwill	12,190,682.26	-	-	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	-	337,362.53	4,811,274.47	879,599.00
Fire Alarm System	975,000.00	2,349,293.00	-	3,324,293.00	240,669.47		78,881.50	-	319,550.97	3,004,742.03	734,330.53
Mobile Phone	145,705.33	49,500.00	-	195,205.33	17,141.33		59,994.13	-	77,135.46	118,069.87	128,564.00
Camera	50,555.00	-	-	50,555.00	3,515.65		3,239.25	-	6,754.90	43,800.10	47,039.35
CCTV Camera	55,604.00	-	-	55,604.00	10,469.57		4,213.59	-	14,683.16	40,920.84	45,134.43
Security System	148,877.00	-	-	148,877.00	21,214.98		10,059.72	-	31,274.70	117,602.30	127,662.02
Water Cooler	27,280.00	-	-	27,280.00	6,301.46		19,614.54	-	25,916.00	1,364.00	20,978.54
TOTAL	**1,611,992,901.13**	**45,426,183.00**	**-**	**1,657,419,084.13**	**41,400,756.07**	**4,447.00**	**11,263,502.97**	**-**	**52,668,706.04**	**1,604,750,378.08**	**1,570,592,144.30**
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
				`
Investment in Mutual Fund				
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 31st March '15	As at 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 31st March '15**	**As at 31st March '14**
Sundry Debtors (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 31st March '15**	**As at 31st March '14**
Balance with banks		
a) In Current Accounts	4,706,492.63	2,653,599.76
b) In deposit Account (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 31st March '15	As at 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
Adance 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 31st March '15	As at 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 31st March '15	As at 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 31st March '15	As at 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 31st March '15	As at 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 31st March '15	As at 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 31st March '15	As at 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 Remunaration	1,800,000.00	1,200,000.00
Total	20,057,068.00	14,495,546.00

2.22 FINANCE COSTS

Particulars	As at 31st March '15	As at 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 31st March '15	As at 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 31st March '15	As at 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
	9,320,010.00	10,742,264.00

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 31st March '15	As at 31st March '14
Purchase of Goods		
M/s Sreeleathers	8,973,123.00	4,996,209.00
Sumanta Susanta Overseas (P) Ltd	2,167,397.00	3,298,627.00
Total	11,140,520.00	8,294,836.00
Sale of Goods		
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	30,649.00	619,186.00
Total	70,008,171.00	98,922,737.00

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 31st March '15	As at 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 31st March '15**	**As at 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 31st March '15	As at 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

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)

SADHANA ADHIKARY
(Director)

SUMANTA DEY
(Director)