Declaration for audit report with unmodified opinion

1	Name of Company	**SREELEATHERS LIMITED** **6, Tottee lane, Kolkata – 700016** **CIN: L67190WB1991PLC050656**
2	Annual financial statements for the year ended	31st March,2016
3	Type of Audit observation	Un Modified
4	Frequency of Observation	N. A.
5	To be signed by : • Managing Director	
	• C F O	
	• Auditor of the company	
	• Audit Committee Chairman	

SREELEATHERS LIMITED 6, Tottee Lane Kolkata-16

RUNGTA & CO. CALCUTTA Chartered Accountants

SREELEATHERS LIMITED KOLKATA

Sreeleathers Limited

25th ANNUAL REPORT
2015-2016

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
1st Floor, Room No.102
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
Phone : +91 33 2286 1510/ 11
Fax : +91 33 2217 6468
E-mail : sreeleathers@sreeleathers.com
Website : www.sreeleathers.com
CIN : L67190WB1991PLC050656

Registrar & Share Transfer Agent

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

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DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 25th Annual Report together with the Audited Financial Statements of the Company for the Year ended March 31, 2016.

FINANCIAL RESULTS:

(₹ In Lacs)

Particulars	March 31, 2016	March 31, 2015
Receipt from Operations	7973.31	6676.23
Profit before depreciation & taxes	1866.25	1359.39
Less: Depreciation	123.66	112.72
Profit Before Tax	1742.59	1246.67
Less: Provision for:		
(a) Income Tax	627.44	419.13
(b) Deferred Tax	(14.81)	(16.80)
Profit after tax	1129.96	844.34
Add: Balance brought forward from last year	2992.86	2148.56
Profit available for appropriation	4122.82	2992.90
Adjustment for Depreciation	-	0.04
Balance carried to Balance sheet	4122.82	2992.86

The company does not propose to transfer any amount to the General Reserves. An amount of Rs. 4122.82Lacs is proposed to be retained in the statement of Profit & Loss.

OPERATIONAL REVIEW:

Gross revenues increased to Rs.7973.31lacs, a growth of around 20% against Rs.6676.23 lacs in the previous year. Profit before depreciation and taxation is Rs.1866.25 lacs against Rs. 1359.39 lacs in the previous year. After providing for depreciation and taxation of Rs.123.66 lacs & Rs. 612.63 lacs respectively as against Rs. 112.72 lacs & Rs. 402.33 lacs respectively in the previous year, the net profit of the Company for the year under review was placed at Rs.1129.96 lacs as against Rs.844.34 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 around 20% during the year under review and Profit after tax has increased by 33.82%.

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, 2016 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, 2016 was Rs.1,806.50 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 and risk mitigation 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, vocational training, livelihood enhancement projects & sanitation. 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 Facility. 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 31.03.2016 and before the date of Report dated 28.05.2016 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:

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

Director Sri Sumanta Dey (DIN 00647680) retires by rotation and, being eligible, offers himself for re-appointment. Sri Sumanta Dey was appointed as Non-Executive Director, liable to retirement by rotation in the last A.G.M. in September 2015. The Board now recommends the re-appointment of Sri Sumanta Dey as Non-Executive Director.

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and there is no change in their status of independence.

Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 five Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134 (3)(c) of the Companies Act, 2013, the directors would like to state that:

i) In the preparation of the annual accounts for the year ended March 31, 2016, 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 annual accounts have been prepared 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. All related party transactions are placed before the audit committee as also to the Board for approval.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company and can be viewed at http://www.sreeleathers.com/SL/Relatedparty.pdf.

SUBSIDIARY COMPANIES:

The Company does not have any subsidiary.

CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / 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 Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company (www.sreeleathers.com).

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 atWorkplace (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 2015-16 and hence no complaint is outstanding as on 31.03.2016 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:

At the Annual General Meeting held on 25.09.2014, K Rungta & Co.(FRN – 321068E), Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors to be placed for ratification at every Annual General Meeting. Accordingly, the appointment of K Rungta & Co., Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the Shareholders in the ensuing Annual General Meeting. The Company has obtained written confirmation from M/s K Rungta & Co., that there appointment, if made, would be in conformity with the limit specified in the said section.

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".

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 2015- 16. 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)	12.08: 1
Sujay Bhattacherjee (Chief Financial Officer)	2.02: 1
Bijoy Kumar Roy (Company Secretary)	2.03:1

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)	Nil
Bijoy Kumar Roy (Company Secretary)	8.00%
Sujay Bhattacharya (Chief Financial Officer)	11.85%

c) The % increase in the median remuneration of employees in the financial year: 9.78%.

d) The number of permanent employees on the rolls of company: 51.

e) The explanation on the relationship between average increase in remuneration and company performance; The Company's PAT has grown from Rs. 844.34 lacs to Rs. 1129.96 lacs an increase of 33.83% against which the average increase in remuneration is 9.78%, 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 thecompany.

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, 2016	March 31, 2015	% Change
Ordinary Shares			
Market Capitalization (Rs. In Crs)	313.68	462.85	-32.23
Price Earning Ratio	27.77	54.76	-49.29

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, 2016	Rs.124.70
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	1247%

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 9.78% for Employees other than Managerial Personnel, 8% for Sri Bijoy Kumar Roy, Company Secretary& 11.85% for Sri Sujay Bhattacherjee, Chief Financial Officer of the company.

j) The key parameters for any variable component of remuneration availed by the directors: There is no variable component for any director, key managerial personnel as well as any employee of the company during the financial year.

k) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable.

l) Affirmation that the remuneration is as per the remuneration policy of the company: The remuneration for Managing Director, KMP and rest of employees is as per the remuneration policy of the company.

m) Comparison of each remuneration of the key managerial personnel 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 2016 (in lacs)	24.00	4.03	4.05
Revenue (in lacs)	7973.31		
Remuneration as % of revenue	0.30	0.05	0.05
Profit / (loss) before Tax (in lacs)	1742.59		
Remuneration (as % of PBT)	1.37	0.23	0.23

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.

CAUTIONARY STATEMENT

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

ACKNOWLEDGEMENTS:

Your 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 28, 2016

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, promoting preventive health care and sanitation, providing opportunity and financial assistance for the promotion of education in the form of Yoga, and provide medical aid to the needy.

2) Collaborate with likeminded bodies like Voluntary organizations, charitable trusts, governments and academic institutes in pursuit of our goals.

3) Interact regularly with stakeholders, review and publicly report our CSR initiatives.

The policy has been uploaded on the website of the company – www.sreeleathers.com

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.11.20 Crores

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

The company is required to spend for financial year 2015 – 16	Rs.22.41lacs
Amount unspent for Financial year 2014 – 15	Rs. 14.60 Lacs
Total	Rs. 37.01 Lacs

5. Details of CSR spent for the financial year :

a)	Total amount spent for the financial year:	Rs.15.30 lacs.
b)	Amount unspent if any:	Rs. 21.71 lacs

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

Sr. No.	Projects/ Activities/ Agency	Sector	Locations	Amount outlay (Budget) project or programme wise (Rs. Lacs)	Amount spent on the project or programme (Rs. Lacs)	Cumulative expenditure upto reporting period (Rs. Lacs)	Amount spent direct or through implementing agency
1.	Undertaking girl child education	Education	Sundarban	4.00	4.00	4.00	Bharat Sevashram Sangha
2.	Running 1 unit of GAP (Gadadhar Abhyudaya Prakalpa)	Livelihood enhancement projects	Belur Math, Howrah	5.83	5.83	5.83	Ramkrishna Mission
3.	Renovation of toilet	Sanitation	Kolkata	1.47	1.47	1.47	Sumangal
4.	Yoga	Vocational training	Bangalore	4.00	4.00	4.00	Vivekananda Yoga Anusandhana Samsthana

Note: The Company is identifying and evaluating the various projects as specified in the Schedule VII of the Companies'Act, 2013 and within that the best way to implement the same in order to maximize the benefit to the society. A sum of Rs.21.71 lacs remained unspent at the end of the Financial Year 2015-16. The Company shall ensure that it complies with the requirements of the Companies Act, 2013 and Rules framed thereunder.The Company shall also attempt to utilize the aforesaid unspent amount towards CSR activities over the next few years,in lines with the CSR Policy of the Company.

For and on behalf of the Board of Directors

Kolkata
May 28, 2016

Sumanta Dey
Director

Annexure - B to Board Report

S. A. & ASSOCIATES
Company Secretaries

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

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

[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, 2016 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,2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) and other applicable law like Factory Act,1948, The Payment of Gratuity Act,1972 etc.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with The Calcutta Stock Exchange Ltd., The Jaipur Stock Exchange Ltd., BSE Ltd. and National Stock Exchange of India Ltd.,

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

We further report that

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

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

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

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

Place : Kolkata
Date : 28th May, 2016

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

S. A. & ASSOCIATES
Company Secretaries

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

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. 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: 28th May, 2016
Place: Kolkata

Annexure C to Boards Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Footwear Wholesale	51312	60.73%
2	Footwear Retail	52323	15.53%
3	Leather Goods and Accessories	52324	23.74%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
(a) Individual	7187857	0	7187857	28.574	7187857	0	7187857	28.574	0.000
(b) Central Govt.									
(c) State Govt.(s)									
(d) Bodies Corp.	8857820	0	8857820	35.213	8757820	0	8757820	34.815	-0.398
(e) Banks / FI									
(f) Any Other….									
Sub-total (A)(1):-	16045677	0	16045677	63.787	15945677	0	15945677	63.390	-0.397
(2) **Foreign**									
(a) NRIs - Individuals									
(b) Other - Individuals									
(c) Bodies Corp.									
(d) Banks / FI									
(e) Any Other….									
Sub-total (A) (2):-	0	0	0	0.000	0	0	0	0.000	0.000
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	16045677	0	16045677	63.787	15945677	0	15945677	63.390	-0.397
B. Public Shareholding									
(1) **Institutions**									
(a) Mutual Funds									
(b) Banks / FI									
(c) Central Govt.									
(d) State Govt.(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FIIs									
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
Sub-total (B)(1):-	0	0	0	0.000	0	0	0	0.000	0.000
(2) **Non-Institutions**									
(a) Bodies Corp.	4178652	1860464	6039116	24.008	3735145	2328682	6063827	24.106	0.098
(i) Indian									
(ii) Overseas									
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	181762	32469	214231	0.852	180980	32369	213349	0.848	1.536
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	2428317	69000	2497317	9.928	2460959	69000	2529959	10.057	-1.411
(c) Others - Clearing Members	358671	0	358671	1.426	402200	0	402200	1.599	0.173
Sub-total (B)(2):-	7147402	1961933	9109335	36.213	6779284	2430051	9209335	36.610	0.397
Total Public Shareholding (B)=(B)(1)+(B)(2)	7147402	1961933	9109335	36.213	6779284	2430051	9209335	36.610	0.397
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	23193079	1961933	25155012	100.000	22724961	2430051	25155012	100.000	0.000

(ii) Shareholding of Promoter :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in 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	0.000	3239500	12.878	0.000	0.000
2	JYOTSNA DEY	500300	1.989	0.000	500300	1.989	0.000	0.000
3	KALPANA MITRA	4750	0.019	0.000	4750	0.019	0.000	0.000
4	PANCHAVATI TIE-UP PVT LTD	5124666	20.372	0.000	5024666	19.975	0.000	-0.397
5	SATYA BRATA DEY	4108527	16.333	0.000	4108527	16.333	0.000	0.000
6	SHEKAR DEY	507740	2.018	0.000	507740	2.018	0.000	0.000
7	SHIPRA DEY	4890	0.019	0.000	4890	0.019	0.000	0.000
8	SHOELINE TRADING PRIVATE LTD	493654	1.962	0.000	493654	1.962	0.000	0.000
9	SUMANTA DEY	893200	3.551	0.000	893200	3.551	0.000	0.000
10	SUSHANTO DEY	1168450	4.645	0.000	1168450	4.645	0.000	0.000
	T O T A L	16045677	63.787	0.000	15945677	63.390	0.000	-0.397

(iii) Change in Promoters' Shareholding :

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	EASEL ADVERTISING PVT LTD				
	a) At the Begining 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 Begining 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 Begining 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 Begining of the Year	5124666	20.372		
	b) Changes during the year				
	Date Reason				
	31/03/2016 Transfer	-100000	0.398	5024666	19.975
	c) At the End of the Year			5024666	19.975
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	15945677	63.390

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADRs):

Sl. No.	For each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	BLACKCHERRY MARKETING PVT. LTD.				
	a) At the Begining of the Year	407556	1.620		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			407556	1.620
2	DEVESH DEALMARK PVT. LTD.				
	a) At the Begining of the Year	234976	0.934		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			234976	0.934
3	GANADHI VANIJYA PVT. LTD.				
	a) At the Begining of the Year	319200	1.269		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			319200	1.269
4	INTELLECT STOCK BROKING LIMITED				
	a) At the Begining of the Year	291647	1.159		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			291647	1.159
5	NEWZONE VANIJYA PVT. LTD				
	a) At the Begining of the Year	251935	1.002		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			251935	1.002

6	PANCHTANTRA TARDELINK PRIVATE LIMITED				
	a) At the Begining of the Year	287435	1.143		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			287435	1.143
7	SHIVRATRI TECHNOLOGIES PRIVATE LIMITED				
	a) At the Begining of the Year	219588	0.873		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			219588	0.873
8	SIDHSILVER INFOTECH PRIVATE LIMITED				
	a) At the Begining of the Year	225503	0.896		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			225503	0.896
9	SUBHRASHI PROPERTIES PRIVATE LIMITED				
	a) At the Begining of the Year	227547	0.905		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			227547	0.905
10	SWABHUMI DEALERS PVT. LTD.				
	a) At the Begining of the Year	304937	1.212		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			304937	1.212
	T O T A L	2770324	11.013	2770324	11.013

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	SATYA BRATA DEY				
	a) At the 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
2	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
	T O T A L	5001727	19.884	5001727	19.884

V. INDEBTEDNESS :

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning 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
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	47,229.00	2,760,682.00	-	2,807,911.00
Net Change	-47,229.00	-2,760,682.00	-	-2,807,911.00
Indebtedness at the end of the financial year				
i) Principal Amount	44,394.30	25,500,000.00	-	25,544,394.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,161,500.00	-	2,161,500.00
Total (i+ii+iii)	**44,394.30**	**27,661,500.00**	**-**	**27,705,894.30**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		SATYA BRATA DEY MANAGING DIRECTOR	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2400000	2400000
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - Others, specify…		
5.	Others - Meeting Fees		
	Total (A)		
	Ceiling as per the Act		

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

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary BIJOY KUMAR ROY	CFO SUJAY BHATTACHARYA	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	404,999	402,692	807,691
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - Others, specify…			
5	Others, please specify			
	Total	404,999	402,692	807,691

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL

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

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT AND ETHICS

As provided under Regulation 26(3) of the SEBI (LODR) Regulations, 2015, this is to confirm that all the members of the Board and the Senior Management personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2016.

For Sreeleathers Limited

Kolkata
May 28, 2016

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 2015-16 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.

   (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

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 28, 2016

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, 2016 stipulated in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule Vof the SEBI (LODR) Regulations, 2015.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by The Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company to ensure Compliance with the condition of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with all the mandatory conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015.

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

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

K. L. Rungta
Proprietor
Membership No: 073418

Kolkata
May 28, 2016

CORPORATE GOVERNANCE

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

1. PHILOSOPHY:

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. On September 2, 2015, the Securities and Exchange Board of India (SEBI) introduced the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, effective from December 1, 2015, replacing the erstwhile Listing Agreement with the Stock Exchange. The Company is taking necessary steps to implement the revised norms of Corporate Governance. The Company understands that the compliances of applicable legislations and timely disclosures enhance the image of the Company as a good corporate citizen in the Country.

2. BOARD OF DIRECTORS:

a) Composition, Category of Directors and their other directorship as on March 31, 2016:

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

Note :

1. The above numbers exclude Directorship in Private, Foreign Companies and Companies which are granted License U/s 8 of the Companies Act, 2013.

2. Chairmanship / Membership of Committee only include Audit Committee and Share Holder Grievance Committee in Indian Public Companies other than Sreeleathers Limited.

b) Number of Board Meetings:

During the year ended March 31, 2016, 5 (five) Board Meetings were held on May 29, August 14, November 14, 2015 & February 13, February 18, 2016.

c) Directors' attendance record:

Name of Director	No. of Board Meetings attended	Attendance at last AGM
Shri Satyabrata Dey	04	Yes
Shri Sumanta Dey	05	Yes
Smt. Sadhana Adhikary	05	Yes
Shri Tanmoy Shome	05	Yes

3. COMMITTEES OF THE BOARD

a) AUDIT COMMITTEE:

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

i) Composition of the Audit Committee

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

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

ii) Terms of Reference

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

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

iii) Meetings and attendance during the year:

The Committee has met four (4) times during the financial year ended 31st March 2016 i.e. on 29th May 2015, 14th August 2015, 14th November 2015 and 13th February 2016.

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

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

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

b) Nomination & Remuneration Committee and policy:

The 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, 2016.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, 2016 to the Executive Directors are as follows:

Name	Designation	Remuneration
Satya Brata Dey	Managing Director	24.00 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 theCompanies (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 ShareTransfer Committee.

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

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

Name ofThe Member	No. of Meeting Held	No. of Meeting Attended
Sumanta Dey , Chairman	03	03
Tanmoy Shome, Member	03	03
Sadhana Adhikary, Member	03	03

During the year 2015-16, 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:

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, 2016.The attendance record of the members at the meeting were as follows:

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

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

e) PERFORMANCE EVALUATION COMMITTEE

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

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

The committee met 2 times during the financial year ended March 31, 2016. 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 SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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

INDEPENDENT DIRECTORS MEETING:

During the year under review, the Independent Directors met on February19, 2016, 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-AuditedResults 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 SEBI (Listing Obligation & Disclosure Requirement) Regulations 2015, the complaints and grievances of the investors can be mailed at sreeleathers@sreeleathers.com to receive.

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

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

(v) Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the byelaws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

(vi) Electronic Clearing Service

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details

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
2014-15	30-09-2015	10.30am	Jamuna Banquets, 31/2B, Marquis Street, Kolkata – 700016.
2013-14	25-09-2014	10.30am	Jamuna Banquets, 31/2B, Marquis Street, Kolkata – 700016.
2012-13	30-09-2013	09.00am	6/1, Sudder Street, Kolkata – 700016.

e. Postal Ballot:

For the year ended March 31, 2016 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, 2016
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 2016-17, the tentative dates for declaration of Quarterly unaudited results will be by August13, 2016, November 15, 2016, February 15, 2017 and May 30, 2017.

c) Book Closure:

The register of members and share transfer books of the company shall remain closed from September 24th, 2016 to September 30th, 2016 (both days inclusive).

d) Listing in stock exchanges and stock codes

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

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

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

NSDL: INE099F01013
CDSL: INE099F01013

e) Stock data:

Month	BSE					NSE				
	High	Low	Volume	SENSEX		High	Low	Volume	NIFTY	
	(₹)	(₹)	(Nos.)	High	Low	(₹)	(₹)	(Nos.)	High	Low
April15	193.10	190.00	71	29095	26898	204.75	183.00	1178	8845	8145
May 15	190.00	190.00	02	28071	26424	200.00	185.00	702	8490	7997
June 15	214.90	195.00	72	27969	26307	199.00	175.60	1041	8467	7940
July 15	252.80	182.00	90	28578	27416	205.00	177.00	5105	8655	8315
Aug 15	205.00	164.70	186	28418	25298	206.00	143.45	9253	8622	7667
Sept 15	172.90	164.30	03	26472	24834	159.60	138.00	1529	8055	7540
Oct 15	164.00	156.00	35	27618	26169	164.00	140.00	548	8336	7930
Nov 15	149.00	141.00	96	26824	25451	162.00	154.00	237	8116	7714
Dec 15	149.00	145.00	42	26256	24868	167.00	132.00	124	7979	7551
Jan 16	148.60	126.00	204	26197	23840	132.00	116.00	229	7973	7242
Feb 16	N.T*	N.T*	N.T*	25002	22495	136.35	129.55	29	7600	6826
Mar 16	131.20	124.70	100415	25480	23133	130.00	109.00	375	7778	7035

(*) represents Not Traded

f) Distribution of shareholding as on March 31, 2016.

Size of Holdings	No. of Share Holders	Percentage %	No. of Shares	Percentage %
Up to 500	974	81.57	25,019	0.10
501 to 1000	10	0.84	9,364	0.04
1001 to 5000	36	3.01	1,07,991	0.43
5001 to 10000	29	2.43	2,39,835	0.95
10001 to 50000	87	7.29	21,30,498	8.47
50001 to 100000	22	1.84	15,38,115	6.11
100001 to above	36	3.02	2,11,04,190	83.90
Total	**1194**	**100.00**	**2,51,55,012**	**100.00**

g) Share Holding Pattern:

Sr. No.	Category	No. of Shares	% of Share Holding
1.	Promoters (Individual/Body Corporate)	15945677	63.39
2.	Mutual Funds/ UTI / Banks	-	-
3.	Private Corporate Bodies	6063827	24.11
4.	Resident Individuals	2743308	10.90
5.	NRIs / FIIs	-	-
6.	Others – Clearing Members	402200	1.60
	Total	**25155012**	**100.00**

h) Reconciliation of share capital audit report

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

i) Shares held in physical and dematerialized form:

As on March 31, 2016, 2,27,24,961 shares (90.34%) were held in dematerialized form and the rest in physical form.

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

NIL.

k) Address for correspondence

Registered office:
6, Tottee Lane, Kolkata – 700016
Telephone: 033- 22861571,
E-Mail: sreeleathers@sreeleathers.com, Website:www.sreeleathers.com
Contact Person: Mr. Bijoy Kumar Roy (Company Secretary & Compliance Officer)

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

l) Shares held in electronic form

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

6. Disclosures:

a. Related Party Transaction: During the year the company has framed a policy on related party transaction setting out the manner of dealing with transactions between the company and related parties based on the provision of the Act and listing agreement requirements. The policy is also available on the website of the company www.sreeleathers.com. 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 2015 – 16.

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, 2016.

(A) INDUSTRY STRUCTURE AND DEVELOPMENT

The Global Footwear Market, by geography, is divided into four regions: North America, Europe, Asia Pacific and Rest of the World. In terms of volume, Asia Pacific is the largest contributor to the market, accounting for a market share of approx. 40%. The major reasons are attributed to increasing middle class population and rapid expansions of footwear industry in emerging countries such as China and India among others. Presently, in terms of revenue, global footwear market is valued at approx. USD 210 Billion and is expected to grow at a CAGR of 2.5% from 2015 to 2023. In terms of volume, global footwear market is approx. 10 billion pairs, which may cross 12 billion pairs in 2023 by growing at a CAGR of 2.3%.

India is the second largest producer of footwear in the world, next to China and has an ever growing domestic market. Annually, India produces about 2.1 Billion pairs and it is estimated that production of footwear will exceed 4 billion pairs by 2020. The per capita consumption of footwear in India is set to grow rapidly from its existing level of 1.7 pairs per annum. The global average per capita consumption of footwear is 3 pairs per annum, whereas the same for developed countries in the world is more than 5 pairs per annum.

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

(B) OPPORTUNITIES, THREATS AND CONCERNS.

While India is the second largest footwear manufacturers of the world, only 10% footwear produced in India are being exported and the remaining 90% of the production are sold within the country for domestic consumption, China continues to be leading country in the world as an exporter. Indian footwear industry is exploring ways to increase exports and the growth in export of footwear will depend on quality and cost competitiveness.

Indian economy is poised to witness a GDP growth at 6.5% - 7.5% and has the potential to become the third largesteconomy 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 labour 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

India is attracting various established fashion brands of the world as well as retailers who are re-orienting their focus on the domestic footwear market, which has led to a significant increase in the number of retail outlets nationwide. Furthermore, growing fashion consciousness and increasing demand for innovation in design and technology of footwear products is increasing competitiveness in the markets.

Sreeleathers has enjoyed a presence in the Indian footwear industry for more than two decades and has established an integrated supply chain and distribution network, Sreeleathers is exploring the possibilities to understand the latest trends in footwear industry and will take appropriate steps to overcome the challenges in the footwear industry to achieve its objectives.

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

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

(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 Bharat Sevashram Sangha, Ramkrishna Mission, Sumangal &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, 2016 the company had 51 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.

M/s. K. RUNGTA & CO.
Chartered Accountants

1, CROOKED LANE
ROOM NO. 102
KOLKATA - 700 069
PHONE : (033) 2248-8479

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, 2016, 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, 2016;
(ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure I", a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. As required by section 143(3) of the Act, we report that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.

   f. with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, we give our separate reports in "Annexure II".

   g. with respect to the other matters included in the auditor's reportin accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and according to the explanation given to us:

      1) The company has disclosed the impact of pending litigation 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 Regn. No. : 321068E

K. L. Rungta
Proprietor
Membership No. : 073418

Kolkata
May 28, 2016

M/s. K. RUNGTA & CO.
Chartered Accountants

1, CROOKED LANE
ROOM NO. 102
KOLKATA - 700 069
PHONE : (033) 2248-8479

ANNEXURE TO AUDITOR'S REPORT
Companies (Audit Report) Order, 2016

Statement referred to our report of even date to the Members of Sreeleathers Limited on the financial statements for the year ended 31st March, 2016, we report that:

i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed by the management of the company, on such verification.

(c) The title deeds of immovable properties recorded in the books of accounts of the company are held in the name of the company.

ii) (a) The Inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion the procedure of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company and nature of its business.

(c) On the basis of our examination of inventory records, in our opinion, the company is maintaining proper record of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii) The company has not granted loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of this sub clause (b) & (c) are not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v) In our opinion and according to information and explanation given to us, the company has not accepted deposits under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013.

vi) The Central Government has not prescribed for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for the company.

vii) (a) The company, as per information given, is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of Customs, Duty of Excise, Value Added Tax, cess and any other statutory dues applicable to it with appropriate authorities.

(b) According to the information and explanation given to us, there are no dues of income tax, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

viii) As per the information and explanation given and according to records provided to us, the company has not defaulted in repayment of dues to the financial institutions or bank or debenture holders.

In our opinion and according to the information and explanations given to us, the Company has not taken any term loans during the year. The Company has not raised moneys by way of public offer (including debt instruments).

ix) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

x) The company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xi) As the Company is not a Nidhi Company and the Nidhi rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xii) The Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

xiii) The Company has not made any preferential allotment or private placement of shares fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xiv) The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For K.Rungta & Co.
Chartered Accountants
Firm's Regn. No. : 321068E

K. L. Rungta
Proprietor
Membership No. : 073418

Kolkata
May 28, 2016

M/s. K. RUNGTA & CO.
Chartered Accountants

1, CROOKED LANE
ROOM NO. 102
KOLKATA - 700 069
PHONE : (033) 2248-8479

ANNEXURE II TO INDEPENDENT AUDITORS' REPORT

Statement referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of Sreeleathers Limited on the standalone financial statements for the year ended March 31, 2016.

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

We have audited the internal financial controls over financial reporting of Sreeleathers Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K.Rungta & Co.
Chartered Accountants
Firm's Regn. No. : 321068E

K. L. Rungta
Proprietor
Membership No. : 073418

Kolkata
May 28, 2016

Balance Sheet as at 31st March 2016

PARTICULARS	Notes	As at 31st March 2016	As at 31st March 2015
		₹	₹
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	1,820,024,267.97	1,707,027,880.08
Total - Share Holders Fund		2,071,574,387.97	1,958,578,000.08
2 Non Current Liabilities			
(a) Long term borrowings	2.3	-	44,396.00
(b) Other long term liabilities	2.4	15,309,908.70	15,306,380.70
Total - Non Current Liabilities		15,309,908.70	15,350,776.70
3 Current Liabilities			
(a) Trade Payables	2.5	33,776,516.55	18,759,697.59
(b) Other current liabilities	2.6	33,390,221.11	32,847,189.82
(c) Short Term Provisions	2.7	64,643,331.31	42,547,514.00
Total - Current Liabilities		131,810,068.97	94,154,401.41
TOTAL - Equities & Liabilities		2,218,694,365.64	2,068,083,178.19
B ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
i. Tangible asstes	2.8	1,592,466,064.91	1,604,750,378.08
Total - Fixed Assets		1,592,466,064.91	1,604,750,378.08
(b) Non- Current Investments	2.9	900,000.00	900,000.00
(c) Deferred Tax Assets (Net)	2.28	7,592,273.29	6,110,822.29
(d) Other non-current assets	2.10	3,930,881.39	3,925,329.55
Total - Non Current Assets		1,604,889,219.59	1,615,686,529.92
2 Current Assets			
(a) Current Investments	2.11	275,271,950.27	287,629,849.03
(b) Inventories	2.12	82,846,973.00	66,410,466.99
(c) Trade receivables	2.13	1,387,143.58	5,881,725.76
(d) Cash & cash equivalents	2.14	180,649,530.96	53,993,465.20
(e) Short term loans & advances	2.15	62,030,285.10	36,339,343.86
(f) Other current assets	2.16	11,619,263.14	2,141,797.43
Total - Current Assets		613,805,146.05	452,396,648.27
TOTAL - Assets		2,218,694,365.64	2,068,083,178.19
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 Regn. No. 321068E

K. L. Rungta
(Proprietor)
Membership No. 073418
Kolkata, 28th May, 2016

On behalf of the Board of Directors

B. K. ROY
(Company Secretary)

SADHANA ADHIKARY
(Director)

SUJAY BHATTACHERJEE
(Chief Financial Officer)

SUMANTA DEY
(Director)

Profit and Loss Statement for the year ended 31.03.2016

	PARTICULARS	Notes	Year ended 31st March 2016	Year ended 31st March 2015
			₹	₹
I.	**REVENUE**			
	Revenue from operations	2.17	797,330,755.21	667,622,845.05
	Other income	2.18	31,435,583.68	22,474,999.50
	Total Revenue		828,766,338.89	690,097,844.55
II	**Expenses**			
	Purchases of Stock-in-Trade	2.19	583,748,512.04	494,833,744.27
	Changes in inventories of Stock-in-Trade and goods in transit	2.20	(16,436,506.01)	(22,052,959.04)
	Employees Benefit Expenses	2.21	19,933,090.24	20,057,068.00
	Finance costs	2.22	2,663,421.64	13,607,347.64
	Depreciation and amortization expense	2.8	12,366,518.08	11,271,708.09
	Other expenses	2.23	52,232,557.70	47,714,361.01
	Total expenses		654,507,593.69	565,431,269.97
III	**Profit before Tax and Extraordinary Items (I - II)**		174,258,745.20	124,666,574.58
IV	Extraordinary Items		-	-
V	**Profit before tax (III - IV)**		174,258,745.20	124,666,574.58
VI	Tax expense:			
	(1) Current tax		(62,743,808.31)	(41,913,154.00)
	(2) Deferred tax	2.28	1,481,451.00	1,680,188.38
VII	**Profit (Loss) for the period (XI + XIV)**		112,996,387.89	84,433,608.96
VIII	Earnings per equity share:			
	(1) Basic		4.49	3.36
	(2) Diluted		4.49	3.36

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 Regn. No. 321068E

K. L. Rungta
(Proprietor)
Membership No. 073418
Kolkata, 28th May, 2016

On behalf of the Board of Directors

B. K. ROY
(Company Secretary)

SADHANA ADHIKARY
(Director)

SUJAY BHATTACHERJEE
(Chief Financial Officer)

SUMANTA DEY
(Director)

CASH FLOW STATEMENT

Sl.	Particulars	As at 31st March 2016		As at 31st March 2015	
		₹	₹	₹	₹
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit (Loss) Before Tax		174,258,745.20		124,666,574.58
	Adjustment For :				
	Depreciation	12,366,518.08		11,271,708.09	
	Finance Cost	2,663,421.64		13,607,347.64	
	Interest Income	(16,608,654.30)		(6,669,861.21)	
	Rent Received	(8,316.00)		(32,416.00)	
	Profit on sale of Investment	(14,573,392.21)		(15,763,796.72)	
		-	(16,160,422.79)	-	2,412,981.80
	Operating Profit before Working Capital Changes		158,098,322.41		127,079,556.38
	Adjustment To:				
	Stock in Trade	(16,436,506.01)		(22,052,959.04)	
	Trade Receivables	4,494,582.18		17,294,888.74	
	Short Term Loans & Advances	(25,690,941.24)		(4,283,456.45)	
	Other current Assets	(9,477,465.71)		1,874,313.04	
	Non current assets	(5,551.84)		(16,100.42)	
	Trade Payables	15,016,818.96		(9,532,970.12)	
	Provision	22,095,817.31		6,855,018.00	
	Other current and non current liabilities	543,031.29	(9,460,215.06)	(87,503,221.92)	(97,364,488.17)
	Cash Generate from Operation		148,638,107.35		29,715,068.21
	Tax Paid including interest thereon	(62,743,808.31)	(62,743,808.31)	(41,913,154.00)	(41,913,154.00)
	Net Cash Generated from/ (Used in) Operating Activities		85,894,299.04		(12,198,085.79)
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Rent Received	8,316.00		32,416.00	
	Interest Income	16,608,654.30		6,669,861.21	
	Purchase/Sale of Fixed Asset(Net)	(82,205.12)		(737,718.92)	
	Investment In Mutual Fund(Net)	26,931,290.97		26,931,032.90	
	Other long term liabilities	3,528.00		-	
	Increase In Fixed Deposits	(107,268,552.87)		(419,510.52)	
	Net Cash Generated From/ (Used In) Investing Activities		(63,798,968.72)		32,476,080.67
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Instalment Paid	(44,396.00)		(47,223.59)	
	Finance Cost	(2,663,421.64)		(13,607,347.64)	
	Dividend Paid	-		(6,288,753.00)	
	Tax on Dividend Paid	-		(1,068,774.00)	
	Net Cash Generaed From/ (Used In) Financing Activities		(2,707,817.64)		(21,012,098.23)
	Net Increase/(Decrease) in cash and cash Equivalent	(A + B + C)	19,387,512.68	(A + B + C)	(734,103.35)
	Cash and Cash Equivalents (Opening Balance)		7,400,271.28		8,134,374.63
	Cash and Cash Equivalents (Closing Balance)		26,787,783.96		7,400,271.28
	Cash and Cash Equivalents Comprises of:				
	Cash & Cheque in Hand		4,125,195.13		2,314,633.40
	Balance with Schedule banks		22,662,588.83		5,085,637.88

As per our report of even date attached

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

K. L. Rungta
(Proprietor)
Membership No. 073418
Kolkata, 28th May, 2016

On behalf of the Board of Directors

B. K. ROY
(Company Secretary)

SADHANA ADHIKARY
(Director)

SUJAY BHATTACHERJEE
(Chief Financial Officer)

SUMANTA DEY
(Director)

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies:

Basis of Accounting:

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

Use of Estimates:

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

Fixed Asset / Depreciation:

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

(a) All fixed assets are stated at cost of acquisition, less accumulated depreciation. In case of fixed assets acquired for new projects/expansion, all related expenses incurred upto the date are capitalized.

(b) Depreciation has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

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

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

Foreign Currency Transaction:

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

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

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

Borrowing Costs:

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

Segment Accounting:

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

Impairment of Assets:

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

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

Investment

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

Inventories:

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

Employee Benefit:

(a) Defined Contributions Plans such as Provident Fund etc., for company's own employees are charged to the Profit & Loss Account.

(b) The Company also has hired employees from outside agency & all statutory formalities in respect of those employees, if any, are to be complied by such agency as per their Contracts.

(c) Gratuity: Based on the completed number of years in service by all the employees of the Company, the provision of Gratuity amounting to Rs. 17.98 lacs (Pr. Year Rs.5.13 lacs) has been made as per AS 15 issued by the Institute of Chartered Accountants of India.

Revenue recognition:

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

	Particulars	As at 31st March 2016	As at 31st March 2015
		₹	₹
2.1	**SHARE CAPITAL**		
	Authorised		
	2600000 equity shares of ₹ 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 2016		31st March 2015	
	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 ₹ 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 2016		31st March 2015	
	Number	%	Number	%
Easel Advertising Private Limited	3,239,500	12.88	3,239,500	12.88
Panchavati Tie-up Private Limited	5,024,666	19.97	5,124,666	20.37
Satya Brata Dey	4,108,527	16.33	4,108,527	16.33

	Particulars	As at 31st March 2016	As at 31st March 2015
		₹	₹
2.2	**RESERVES & SURPLUS**		
	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	299,285,335.08	214,856,173.12
	Profit/ (loss) for the year	112,996,387.89	84,433,608.96
	Profit available for appropriation	412,281,722.97	299,289,782.08
	Excess/Short Depreciation Charged	-	(4,447.00)
	Total	412,281,722.97	299,285,335.08
	Total- Reserves & Surplus	1,820,024,267.97	1,707,027,880.08
2.3	**LONG TERM BORROWINGS**		
	Secured Borrowings		
	Car Loan from HDFC Bank	-	44,396.00
	Total	-	44,396.00

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**		
	Security Deposit from agents	15,150,000.00	15,150,000.00
	Security Deposits (Construction)	20,183.00	20,183.00
	Refundable Retainership Money	82,836.00	79,308.00
	Uncleared Cheques of CRB Capital Market	56,889.70	56,889.70
	Total	15,309,908.70	15,306,380.70

	Particulars	As at 31st March 2016	As at 31st March 2015
		₹	₹
2.5	**TRADE PAYABLES**		
	Sundry Creditors	33,776,516.55	18,759,697.59
	Total	33,776,516.55	18,759,697.59
2.6	**OTHER CURRENT LIABILITIES**		
	Interest payable on security deposits	22,500.00	171,000.00
	TDS Payable	568,036.14	1,221,637.14
	Sales Tax TDS	614.00	4,190.00
	VAT Payable	582,809.68	762,855.06
	Entry Tax Payable	93,184.00	57,131.00
	Service Tax Payable	901.00	9,426.00
	CST Payable	95,688.00	52,312.00
	Unclaimed Dividend (2008 - 09)	26,693.50	26,693.50
	Unclaimed Dividend (2009 - 10)	132,022.00	132,022.00
	Uncliamed Dividend (2010 - 11)	98,630.00	98,630.00
	Uncliamed Dividend (2011 - 12)	49,372.00	49,372.00
	Uncliamed Dividend (2012 - 13)	78,677.75	78,677.75
	Unsecured Loans	27,661,500.00	28,260,682.00
	Auditors Remuneration	500,000.00	380,500.00
	Creditors for expenses	3,311,034.74	1,486,378.37
	Car Loan (repayable during the year 2016 - 17)	44,394.30	47,227.00
	Others	124,164.00	8,456.00
	Total	33,390,221.11	32,847,189.82

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

2.7	**SHORT TERM PROVISIONS**		
	Providend Fund	69,093.00	81,864.00
	ESI Payble	26,988.00	32,125.00
	Professional Tax	5,750.00	6,910.00
	Provission for Income Tax	62,743,808.31	41,913,154.00
	Provision for Gratuity	1,797,692.00	513,461.00
	Total	64,643,331.31	42,547,514.00

Note : 2.8 **Fixed Assets** **(in ₹)**

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	As at 01.04.2015	Exess Depreciation	For the Year	Deductions	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
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	398,814,937.00	-	-	398,814,937.00	35,912,210.59		6,294,786.25	-	42,206,996.84	356,607,940.16	362,902,726.41
Refrigerator	57,500.00	-		57,500.00	2,802.11		3,639.75	-	6,441.86	51,058.14	54,697.89
Office Equipment	13,490.00	-		13,490.00	1,271.02		2,563.10	-	3,834.12	9,655.88	12,218.98
Electrical Installation	4,986,790.71	-	-	4,986,790.71	374,571.23		488,690.78	-	863,262.01	4,123,528.70	4,612,219.48
Air Conditioner	2,482,668.54	-	-	2,482,668.54	650,452.74		169,807.34	-	820,260.08	1,662,408.46	1,832,215.80
Furnitur & Fixture	40,756,199.64	-	-	40,756,199.64	13,024,973.65		4,467,796.06	-	17,492,769.71	23,263,429.93	27,731,225.99
Television	170,000.00	-	-	170,000.00	40,369.88		17,985.69	-	58,355.57	111,644.43	129,630.12
Computer	1,700,075.99	-	-	1,700,075.99	1,253,802.65	-	196,022.49	-	1,449,825.14	250,250.85	446,273.34
Motor Vehicle	1,090,635.66	-	-	1,090,635.66	595,574.45		106,441.88	-	702,016.33	388,619.33	495,061.21
Goodwill	12,190,682.26	-	-	12,190,682.26	-		-	-	-	12,190,682.26	12,190,682.26
Elevator	5,148,637.00	-	-	5,148,637.00	337,362.53		333,169.50	-	670,532.03	4,478,104.97	4,811,274.47
Fire Alarm System	3,324,293.00	-	-	3,324,293.00	319,550.97		210,503.64	-	530,054.61	2,794,238.39	3,004,742.03
Mobile Phone	195,205.33	74,000.00	-	269,205.33	77,135.46		49,394.99	-	126,530.45	142,674.88	118,069.87
Camera	50,555.00	-	-	50,555.00	6,754.90		3,238.81	-	9,993.71	40,561.29	43,800.10
CCTV Camera	55,604.00	-	-	55,604.00	14,683.16		4,212.60	-	18,895.76	36,708.24	40,920.84
Security System	148,877.00	-	-	148,877.00	31,274.70		10,059.72	-	41,334.42	107,542.58	117,602.30
Water Cooler	27,280.00	-	-	27,280.00	25,916.00		0.00	-	25,916.00	1,364.00	1,364.00
TOTAL	1,657,419,084.13	74,000.00	-	1,657,493,084.13	52,668,706.04	-	12,358,312.96	-	65,027,019.00	1,592,466,064.91	1,604,750,378.08
Previous Year	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

Particulars	31st March 2016		31st March 2015	
	Number	Amount	Number	Amount
		₹		₹
2.9 NON-CURRENT INVESTMENTS				
Investment in Equity Shares:				
Unquoted:				
Associates:				
Shoeline Trading Pvt Ltd. (F.V. Rs 10)	90,000	900,000.00	90,000	900,000.00
Total	90,000	900,000.00	90,000	900,000.00

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
2.10 OTHER NON-CURRENT ASSETS		
VAT Refundable	208,431.00	208,431.00
Tax Deducted at Source (Previous Years)	157,851.03	157,851.03
Security Deposit	3,448,839.36	3,435,082.00
Deferred Revenue Expenditure	115,760.00	123,965.52
Total	3,930,881.39	3,925,329.55

Particulars	31st March 2016		31st March 2015	
	Number	Amount	Number	Amount
		₹		₹
2.11 CURRENT INVESTMENTS				
Investment in mutual fund				
Sundram Bond Saver	188,383.046	7,500,000.00	188,383.046	7,500,000.00
Sundram Select Debt Short- Term Plan	1,489,905.498	35,500,000.00	1,489,905.498	35,500,000.00
ICICI Pru-72-409D	-	-	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	9,832,166.557	133,669,712.77	6,160,857.368	77,645,312.77
ICICI Pru - Liquid Fund	-	-	4,903.061	923,911.00
ICICI Pru. Corporate Bond Fund	1,512,024.438	32,668,800.00		
ICICI FMP Series 74-369 days	-	-	3,000,000.000	30,000,000.00
ICICI Pru. Large Cap Fund	44,443.194	1,027,526.65		
Reliance Fixed Horizon Fund-XXV	-	-	2,180,700.000	21,807,000.00
Reliance Interval Fund - II - Series I Growth Plan	-	-	2,179,680.000	21,796,800.00
Reliance Yearly Interval Fund-Series 6 growth plan	-	-	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	1,070.513	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	295,199.598	7,732,761.95
HDFC Med. Term Oppt. Fund	321,609.592	5,000,000.00		
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	11,754.211	232,578.22
Religare Invesco-Bank Debt Fund Growth	-	-	-	-
Reliance Dynamic Bond Fund-Growth	-	-	-	-
Total	16,982,205.22	275,271,950.27	22,159,174.05	287,629,849.03
Total NAV - Mutual Funds		313,878,430.00		314,484,373.96

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
2.12 INVENTORIES		
Stock In Trade	80,315,129.00	64,462,213.99
Goods In Transit	2,531,844.00	1,948,253.00
Total	82,846,973.00	66,410,466.99
2.13 TRADE RECEIVABLES		
Sundry Debtors - (Unsecured considered good)		
- For more than 6 Months	6,601,952.00	4,437,082.76
- Other	(5,214,808.42)	1,444,643.00
Total	1,387,143.58	5,881,725.76
2.14 CASH & CASH EQUIVALENTS		
Balance with banks		
a) In Current Accounts	22,283,443.58	4,706,492.63
b) In deposit Account (less than 12 months maturity)	144,541,737.74	37,273,184.87
c) In deposit Account(Earmarked for Central Excise)	9,320,010.00	9,320,010.00
Cash in Hand	2,598,209.39	2,308,832.45
Cheque In Hand	1,526,985.00	5,800.00
Other Bank Balances		
Balance in unpaid Dividend Account	379,145.25	379,145.25
	180,649,530.96	53,993,465.20
2.15 SHORT TERM LOANS & ADVANCES		
FDR with Bank for Bank guarantee	123,000.00	123,000.00
Income Tax Advance	55,000,000.00	34,200,000.00
Advance for renovation	500,000.00	500,000.00
Advance for Capital Expenditure	2,018,041.34	613,221.94
Adance for CESC	223,989.29	51,746.92
Other Advance	4,165,254.47	851,375.00
Total	62,030,285.10	36,339,343.86
2.16 OTHER CURRENT ASSETS		
T.D.S Receivable (Current Year)	1,444,489.10	666,881.10
Security Deposit	188,614.00	52,300.00
Rent Receivable	2,752.00	4,752.00
Interest Receivable from FD	9,288,835.51	384,897.08
Interest Receivable from others	244,285.53	263,097.25
Advance Rent	-	315,929.00
Income Tax Refundable	431,283.00	431,283.00
Others	19,004.00	22,658.00
Total	11,619,263.14	2,141,797.43

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
	₹	₹
2.17 REVENUE FROM OPERATIONS		
Sale of Goods	797,330,755.21	667,622,845.05
Total	797,330,755.21	667,622,845.05
2.18 OTHER INCOME		
Interest on Fixed Deposits	14,194,792.00	6,429,030.54
Interest on Fixed Deposits Prior Period	2,163,836.60	-
Rent Received	8,316.00	32,416.00
Profit on sale of Investment	14,573,392.21	15,763,796.72
Interest on security deposits	250,025.70	240,830.67
Other Income	245,221.17	8,925.57
Total	31,435,583.68	22,474,999.50
2.19 PURCHASE ACCOUNTS		
Purchase	583,205,778.04	494,216,156.27
Reverse Credit on stock transfer	542,734.00	617,588.00
	583,748,512.04	494,833,744.27
2.20 CHANGES OF INVENTORIES OF STOCK IN TRADE & TRANSIT		
Stock In Trade	(13,904,662.01)	(21,101,519.04)
Goods In Transit	(2,531,844.00)	(951,440.00)
Total	(16,436,506.01)	(22,052,959.04)
2.21 EMPLOYEES EXPENSES		
Salary & Wages	13,223,236.00	13,459,698.00
ESI Expenses	272,478.00	310,956.00
Provident Fund	483,734.00	355,826.00
Service Charges	-	137,831.00
Staff Welfare	2,130,938.24	2,782,096.00
Security Staff Charges	1,422,704.00	1,210,661.00
Directors Remunaration	2,400,000.00	1,800,000.00
Total	19,933,090.24	20,057,068.00
2.22 FINANCE COSTS		
Bank Charges	60,568.64	148,043.93
Interest On TDS	3,535.00	-
Interest on Security Deposit	82,500.00	82,500.00
Other Interest on Borrowings	2,516,818.00	13,376,803.71
Total	2,663,421.64	13,607,347.64

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
	₹	₹
2.23 OTHER EXPENSES		
Advertisement	20,563,475.53	18,897,453.00
AGM Expenses	107,294.00	-
Annual Maintenance Charges	218,189.06	377,302.35
Audit Fees	869,364.00	672,725.00
Car Running Expenses	114,208.24	46,646.00
Bank Charges On Credit Card	626,436.56	365,839.25
Carry Bag	1,305,277.00	1,338,978.00
Computer Maintenance	65,948.00	36,806.00
Courier Charges	141,298.00	86,705.00
Custodial Fees	171,750.00	111,804.00
Consultancy Charges	550,384.00	298,000.00
CST Shortage Form	183,299.00	-
Depository Charges	18,353.00	13,099.00
Donation	75,000.00	25,000.00
Entry Tax Paid	1,444,769.00	1,266,479.42
Electricity Charges	4,531,063.05	3,612,035.34
Freight	4,094,848.00	4,817,587.00
General Expenditure	5,539,334.52	5,025,196.37
Insurance Charges	4,824.00	4,335.00
Interest on Income tax	408,701.00	436,661.00
Input Tax Disallowance	17,554.00	-
Legal Charges	151,391.00	151,240.00
Listing Fees	458,486.00	364,048.00
Printing & Stationery	507,694.00	804,446.00
Prior Period Expenses	-	1,824.00
Professional Fees	298,901.00	381,829.00
Professional Tax	2,500.00	2,500.00
ROC filing fees	6,000.00	29,200.00
Rates & Taxes	340,046.00	430,802.00
Repairs & Maintenance	4,227,103.01	2,574,766.56
Rent	3,834,608.00	3,791,148.00
Round Off	210.27	(1,195.42)
Sales Promotion	133,439.00	441,803.00
Sales Tax Assessment Dues	49,292.00	488,805.00
Service Tax	507,353.00	365,675.00
Telephone & Internet Expenses	357,624.96	292,579.14
Trade Licence Fees	-	3,800.00
Travelling & Conveyance	122,801.50	158,439.00
VAT Demand	66,198.00	-
VAT on Non Trading Goods	117,540.00	-
	52,232,557.70	47,714,361.01

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
OTHER EXPLANATORY NOTES & INFORMATION		
2.24 CONTINGENT LIABILITIES		
Appeals filed in respect of disputed demands:		
- where the department is in appeal		
Central Excise Tax	9,320,010.00	9,320,010.00
	9,320,010.00	9,320,010.00

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
	₹	₹

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 Transaction

Purchase of Goods		
M/s Sreeleathers	21,074,502.00	8,973,123.00
Sumanta Susanta Overseas (P) Ltd	1,125,783.00	2,167,397.00
Total	22,200,285.00	11,140,520.00
Sale of Goods		
M/s Sreeleathers	15,164,742.00	16,745,502.00
Sumanta Susanta Overseas (P) Ltd	-	14,118,910.00
Upkar Vinimay (P) Ltd	50,621,657.00	39,113,110.00
Tug Overseas (P) Ltd	-	30,649.00
Total	65,786,399.00	70,008,171.00
Rent Received		
Tug Overseas (P) Ltd	-	24,000.00
Total	-	24,000.00
Remuneration		
Satya Brata Dey	2,400,000.00	1,800,000.00
	2,400,000.00	1,800,000.00
Balance as on 31.03.2016		
Trade Receivables		
Upkar Vinimay (P) Ltd	591,979.00	1,008,425.00
	591,979.00	1,008,425.00

2.27 AUDIT FEES INCLUDES

(a) Audit Fees	606,114.00	470,225.00
(b) Fees for tax matters	142,350.00	109,500.00
(c) Fees for Company Law Matters	58,500.00	45,000.00
(d) For Tax Audit Fees	62,400.00	48,000.00
	869,364.00	672,725.00

2.28 DEFFERED TAX

Deffered Tax Asset - Opening Balance	6,110,822.29	4,430,633.91
Timing Difference		
Depreciation Difference	1,481,451.00	1,680,188.38
Deffered Tax Asset - Closing Balance	7,592,273.29	6,110,822.29

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
2.29 EARNINGS PER SHARE		
Amount used as neumerator	112,996,387.89	84,433,608.96
Weighted average number of shares	25,155,012	25,155,012
Basic EPS	4.49	3.36
Diluted EPS	4.49	3.36

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 2015-2016. The disclosure requirements are made in the notes to accounts or by way of additional statements. The other disclosures as required by the Companies Act are made in the notes to accounts.

As per our report of even date attached

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

K. L. Rungta
(Proprietor)
Membership No. 073418
Kolkata, 28th May, 2016

On behalf of the Board of Directors

B. K. ROY
(Company Secretary)

SADHANA ADHIKARY
(Director)

SUJAY BHATTACHERJEE
(Chief Financial Officer)

SUMANTA DEY
(Director)

NOTES

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BOOK POST
PRINTED MATTER

If undelivered, return to :
Sreeleathers Limited
6, Tottee Lane
Kolkata - 700 016
Phone : (033) 2286-1506
E.mail : sreeleathers@sreeleathers.com
Website : www.sreeleathers.com